

IPCSC Annual Meeting
Idaho Public Charter School Commission
Boise
Apr 14, 2022 9:00 AM - 3:00 PM MDT

Table of Contents

I. Commission Work (Action Item).....2

II. Public Comment14

III. Consideration of Performance Certificates (Action Item).....15

IV. Director's Report347

V. Strategic Plan (Action Item)

A. FY22 Strategic Plan349

B. Facility Options.....382

C. Consideration of Legislative Ideas.....391

VI. Framework Revisions (Action Item).....393

VII. Financial Management (Action Item).....425

VIII. Commission Education.....434

IX. Consideration of Director's Performance Evaluation535

X. Action Resulting from Executive Session (Action Item)

I. COMMISSION WORK

A. AGENDA APPROVAL

The IPCSC must approve the agenda prior to beginning the meeting.

COMMISSION ACTION

A motion to approve the agenda as presented; or

A motion to amend the agenda [state amendment] based on the following good faith reason [state reason amendment is necessary].

B. MEETING MINUTES

The IPCSC will consider approval of meeting minutes for the previous meeting.

COMMISSION ACTION

A motion to approve the meeting minutes for February 10 and 11, 2022 as presented; or

A motion to approve the meeting minutes for February 10 and 11, 2022 with the following amendments: [state specific amendments].

C. NEW COMMISSIONER WELCOME

Introduction of new IPCSC Commissioner, Dean Fisher

**IDAHO PUBLIC CHARTER SCHOOL COMMISSION
MEETING AGENDA**

Date: Thursday, April 14, 2022
Start Time: 9:00 A.M., MST

Physical Location: Joe R. Williams Building, West Conference Room, 700 W. State St., Boise, ID 83702. Limited public seating available on a first-come-first-served basis. The public is encouraged to participate remotely.

Remote/Public Access via YouTube Livestream:
<https://www.youtube.com/channel/UChV-TDWV4fvl-UoozmMeoPA>

I. COMMISSION WORK (Action Item)

- A. Agenda Review / Approval
- B. Minutes Review / Approval

II. PUBLIC COMMENT

Public comment will be limited to three minutes per person. Please see IPCSC policy for more information.

III. CONSIDERATION OF PERFORMANCE CERTIFICATES (Action Item)

Consideration of performance certificates for schools renewed for a 2022-2027 term.

IV. DIRECTOR'S REPORT

Discussion of various day-to-day matters of agency management.

V. STRATEGIC PLAN (Action Item)

- A. FY22 Report and FY23 Plan (Action Item)
- B. Consideration of Facility Options (Action Item)
- C. Consideration of 2023 Legislative Ideas (Action Item)

VI. FRAMEWORK REVISIONS (Action Item)

- A. Review of alternative measures and sample data from FY21
- B. Consideration of proposed revisions introduced in February (Action Item)

VII. FINANCIAL MANAGEMENT (Action Item)

Review of FY22 budget, consideration of FY23 adjustment, and consideration of FY24 budget.

VIII. COMMISSION EDUCATION

Commission discussion of articles regarding effective charter school and education services provider relationships.

IX. CONSIDERATION OF DIRECTOR'S EVALUATION

A. Pursuant to I.C. 74-206(1)(b), the IPCSC will enter executive session to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent.

No action will be taken in executive session.

X. ACTION RESULTING FROM EXECUTIVE SESSION (Action Item)

Any action is at the discretion of the Commission.

**MEETING MINUTES
IDAHO PUBLIC CHARTER SCHOOL COMMISSION**

February 10 and 11, 2022
JRW Building, West Conference Room
Boise, ID 83702

This meeting was called to order by Chairman Reed on February 10, 2022 at 9:00 a.m.

Alan Reed – Present
Sherrilynn Bair – Present 2/10, Excused at 2pm 2/11
Brian Scigliano – Present
Wanda Quinn – Present
Nils Peterson – Present
Julie VanOrden – Excused 2/10, Present 2/11
7th Seat Vacant

I: COMMISSION WORK

A. Agenda Review/Approval

M/S (Bair/Peterson) Motion to approve the agenda as presented, noting that February 11 meeting begins at 8:00am. *The motion passed unanimously.*

B. Minutes Review/Approval

M/S (Quinn/Scigliano) Motion to approve the December 9, 2021 minutes as presented. *The motion passed unanimously.*

II: PUBLIC COMMENT

Public Comment was offered by:

Laura Lee, parent; spoke in support of Richard McKenna Charter School
Kristi McBride, teacher; spoke in support of Richard McKenna Charter School
Michele Fikel, parent; spoke in support of Richard McKenna Charter School
Melody Landis, parent; spoke in support of Richard McKenna Charter School
Calvin Campbell, parent; spoke in support of Richard McKenna Charter School
Shana Ellis, parent; spoke in support of Another Choice Virtual Charter School
Karra Ramirez, staff member; spoke in support of Another Choice Virtual Charter School

III: CONSIDERATION OF PERFORMANCE CERTIFICATE

Commissioners reviewed the proposed performance certificate for Kootenai Classical Academy. Kootenai Classical Academy's charter was approved by the Commission on December 9, 2021. The IPCSC staff and the petitioners agree to the terms of the certificate as presented.

M/S (Bair/Peterson) Motion to approve the performance certificate as presented. *The motion passed unanimously.*

IV: CONSIDERATION OF RENEWAL: AMERICAN HERITAGE CHARTER SCHOOL

Commissioners reviewed the proposed charter renewal for American Heritage Charter School. The IPCSC Director's recommendation was renewal with no conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Quinn/Peterson) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with no conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

V. CONSIDERATION OF RENEWAL: BINGHAM ACADEMY

Commissioners reviewed the proposed charter renewal for Bingham Academy. The IPCSC Director's recommendation was renewal with conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Scigliano/Quinn) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

VI. CONSIDERATION OF RENEWAL: CHIEF TAHGEE ELEMENTARY ACADEMY

Commissioners reviewed the proposed charter renewal for Chief Tahgee Elementary Academy. School Principal, Joel Weaver, addressed the Commission to discuss the unique challenges faced by Chief Tahgee Elementary Academy. The IPCSC Director's recommendation was renewal with conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Peterson/Quinn) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

VII. CONSIDERATION OF RENEWAL: COEUR D'ALENE CHARTER ACADEMY

Commissioners reviewed the proposed charter renewal for Coeur d'Alene Charter Academy. The IPCSC Director's recommendation was renewal with no conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Quinn/Peterson) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with no conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

VII. CONSIDERATION OF RENEWAL: HERITAGE ACADEMY

Commissioners reviewed the proposed charter renewal for Heritage Academy. The IPCSC Director's recommendation was renewal with no conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Quinn/Bair) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with no conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

IX. RENEWAL CONSIDERATION: IDAHO CONNECTS ONLINE SCHOOL

Commissioners reviewed the proposed charter renewal for Idaho Connects Online School. School Principal, Vickie McCollough, and Board Chair, David High, addressed the Commission to discuss the unique challenges faced by their school. The IPCSC Director's recommendation was renewal with conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Bair/Quinn) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

X. RENEWAL CONSIDERATION: IDAHO TECHNICAL CAREER ACADEMY

Commissioners reviewed the proposed charter renewal for Idaho Technical Career Academy. School Director, Monti Pittman and Board Chair, Kerry Wysocki addressed the Commission to discuss the unique challenges faced by their school. The IPCSC Director's recommendation was renewal with conditions. The School's

board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Scigliano/Peterson) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

XI. RENEWAL CONSIDERATION: ISUCCEED VIRTUAL HIGH SCHOOL

Commissioners reviewed the proposed charter renewal for iSucceed Virtual High School. School Director, Katie Allison addressed the Commission to discuss the unique challenges faced by the school. The IPCSC Director's recommendation was renewal with conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Peterson/Bair) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

XII. RENEWAL CONSIDERATION: KOOTENAI BRIDGE ACADEMY

Commissioners reviewed the proposed charter renewal for Kootenai Bridge Academy. The IPCSC Director's recommendation was renewal with no conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Quinn/Scigliano) Motion to accept and adopt the consent agreement as presented, renewing the school's charter for a 5-year term with no conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

XIII. RENEWAL CONSIDERATION: SYRINGA MOUNTAIN SCHOOL

Commissioners reviewed the proposed charter renewal for Syrniga Mountain School. School Director, Nigel Whittington, addressed the Commission to discuss the unique challenges faced by their school. The IPCSC Director's recommendation was renewal with conditions. The School's board of directors agreed to the recommendation. A consent agreement signed by both parties was presented to the Commission for review.

M/S (Peterson/Quinn) Motion to accept and adopt the consent agreement as presented, renewing the school’s charter for a 5-year term with conditions to begin 7/1/22. *The motion passed unanimously.*

The Final Order in this matter was issued on February 28, 2022.

XIV. COMMISSION DISCUSSION

Discussion regarding procedures for administrative hearings by Karen Sheehan, Deputy Attorney General, State General Counsel & Fair Hearings Division.

XV. PUBLIC COMMENT

No public comment was provided.

XVI. FINANCIAL MANAGEMENT

A. Consideration of Policy Revision

Commissioners considered an internal financial policy to better define procedures for making minor budget amendments.

M/S (Quinn/Peterson) Motion to adopt the amendment policy as presented. *The motion passed unanimously.*

B. Fiscal Year 2024 Budget Planning – First Read

Commissioners conducted a first read of the budget plan to consider the FY24 budget for approval in April, 2022. No action.

XVII. CONSIDERATION OF PERFORMANCE FRAMEWORK MINOR REVISIONS

Director Thompson proposed a few minor revisions to the framework. As FY21 was the first year this framework was in use in the format adopted in 2020, a few minor adjustments were expected. The proposed revisions include: adding a ceiling on the literacy proficiency measure, clarifying the “3 consecutive years” language in the exceeds standard rating category, and revising the formula for the alternative schools “progress toward graduation” measure to better accommodate the flexible schedules utilized by these schools.

Proposed measures will be posted on the website. Stakeholder feedback will be solicited. The revisions will be considered as action items on April 14th. No action 2/10/22.

XVIII. PETITION COMMITTEE REPORT

Commissioner Scigliano provided an update from the 1/6/22 IPCSC Petition Committee meeting. The procedural guidance document for new charter school petitions has been updated and made available to the public.

IPCSC Program Manager, Jared Dawson presented the revisions.

No action.

XIX. LEGISLATIVE UPDATE

IPCSC Director provided an update on proposed legislation that could impact charter schools. No action.

The meeting was recessed by Chairman Reed on February 10 at 2:26 p.m.

The meeting was resumed by Chairman Reed on February 11 at 8:00 a.m.

XX. ADMINISTRATIVE HEARING: CONSIDERAION OF CHARTER RENEWAL FOR ANOTHER CHOICE VIRTUAL CHARTER SCHOOL

It came before the Idaho Public Charter School Commission in the matter of the charter renewal for Another Choice Virtual Charter School (ACVS) a hearing to determine whether to renew, renew with conditions, or non-renew Another Choice Virtual Charter School's charter pursuant to Idaho Code section 33-5209B.

The charter renewal hearing was held under the authority of Idaho Code sections 33-5209B and 67-5242, IDAPA 08.03.01.200, and IDAPA 04.11.01.

Exhibits A-NN (excluding Exhibit II), presented by the IPCSC staff, and exhibits 1-7, presented by ACVS, were made available to the Commission in an unredacted format. ACVS objected to IPCSC Staff's Exhibit II. IPCSC Staff objected to ACVS's exhibits 8 and 9. Objections were taken up as a matter preliminary to the hearing. Both parties agreed to withdraw the exhibit(s) objected to by the other party. All other exhibits were admitted into the record. Redacted exhibits were made available to the public.

The Commission was represented by Karen Sheehan, Deputy Attorney General.

The IPCSC staff was represented by Rachel Kolts, Deputy Attorney General. Jenn Thompson, Director of the IPCSC was the only witness presented by this party.

Another Choice Virtual Charter School was represented by attorney Bret Walther, with the law firm Anderson, Julian, and Huall. The school presented the following witnesses:

Laura Sandidge, Head of School

Ross Jones, Financial Manager

Claudia Frent, Parent

Marnie Dundess, Parent

Lori Lyman, Board Chair

Victoria Murphy, Teacher

Cara Mia Dorrian, Teacher

Denise Vincent, Teacher

The hearing began at 8:00 a.m. A recording of the hearing is to be permanently maintained by the Idaho Public Charter School Commission.

M/S (Peterson/Van Orden) Motion to non-renew the charter for Another Choice Virtual Charter School, thereby requiring the school to cease operations as of June 30, 2022 and directing the Director to begin closure protocol. *The motion passed unanimously.*

The administrative hearing for Another Choice Virtual Charter School was concluded by Chairman Reed at 11:25am and it was noted that a final order would be issued in writing at a later date.

The Final Order in this matter was issued to both parties on March 10, 2022.

XXI. ADMINISTRATIVE HEARING: CONSIDERATION OF CHARTER RENEWAL FOR RICHARD MCKENNA CHARTER SCHOOL

It came before the Idaho Public Charter School Commission in the matter of the charter renewal for Richard McKenna Charter School (RMCS) a hearing to determine whether to renew, renew with conditions, or non-renew Richard McKenna Charter School's charter pursuant to Idaho Code section 33-5209B.

The charter renewal hearing was held under the authority of Idaho Code sections 33-5209B and 67-5242, IDAPA 08.03.01.200, and IDAPA 04.11.01.

Exhibits A-Q, presented by the IPCSC staff, and exhibits 1-16, presented by RMCS, were made available to the Commission in an unredacted format. All exhibits were admitted into the record. Redacted exhibits were made available to the public.

The Commission was represented by Karen Sheehan, Deputy Attorney General.

The IPCSC staff was represented by Rachel Kolts, Deputy Attorney General. Jenn Thompson, Director of the IPCSC was the only witness presented by this party.

Richard McKenna Charter School was represented by attorney Scott Marotz, with the law firm Anderson, Julian & Hull. The school presented the following witnesses:

- John Wood, Teacher
- Keelie Campbell, Teacher
- Kim Flick, Teacher
- Dennis Wilson, School Administrator
- Meg Warren, Board Chair
- Kelly Harwood, Teacher

Two witnesses on RMCS's witnesses list, Doug Mayne and Rob Sauer, were excused before the hearing began.

Witness Kelly Harwood was added to the witness list prior to beginning the hearing.

The hearing began at 11:42 a.m. A recording of the hearing is to be permanently maintained by the Idaho Public Charter School Commission.

M/S (Quinn/Van Orden) Motion to conditionally renew RMCS for a 5-year operational term to begin 7/1/22 with the conditions as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter with Conditions dated 12/2/21 with the following adjustments: removing Condition 1 (RMCS ceases operation of both the virtual and alternative-virtual high school programs as of 6/30/22); Conditions 2-5 be negotiated between the School and Commission to come back to the Commission for approval at a later date. Motion was amended twice; both amendments failed. The original motion was withdrawn (see below).

M/S (Quinn 1st Amendment/none) Amended motion to conditionally renew RMCS for a 5-year operational term to begin 7/1/22 with the conditions as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter with Conditions dated 12/2/21 with the following adjustments: removing Condition 1 (RMCS ceases operation of both the virtual and alternative-virtual high school programs as of 6/30/22) and moving the due date of Conditions 2-5 from 6/30/24 to 6/30/27. *No second. Motion amendment failed.*

M/S (Quinn 2nd Amendment /none) Second amended motion to conditionally renew RMCS for a 5-year operational term to begin 7/1/22 with the conditions as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter with Conditions dated 12/2/21 with the following adjustments: removing all conditions. *No second. Motion amendment failed.*

Quinn withdrew the original motion.

M/S (Quinn/none) Motion to renew with no conditions the charter for RMCS for a five-year operational term to begin 7/1/22. *No second. Motion failed.*

M/S (Peterson/Scigliano) Motion to conditionally renew the charter for RMCS for a 5-year operational term to begin 7/1/22 with the following conditions: (1) by 2024 and continuing thereafter, each of RMCS Virtual and Alternative Virtual High School programs must meet standard on each academic measure when compared to their peer comparison group. Said comparison groups to be negotiated with Commission and incorporated into the school's performance certificate; Conditions 2-5 as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter; and adding a sixth condition to require that beginning with the new performance certificate, RMCS shall have an enrollment cap of 800 students total across all of its programs. *Motion amended.*

MS (Peterson 1st amendment/none) Motion to conditionally renew the charter for RMCS for a 5-year operational term to begin 7/1/22 with the following conditions: (1) by 2024 and continuing thereafter, each of RMCS Virtual and Alternative Virtual High School programs must meet standard on each academic measure when compared to their peer comparison group. Said comparison groups to be negotiated with Commission and incorporated into the

school's performance certificate; (conditions 2-5 as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter; and adding a sixth condition to require that beginning with the new performance certificate, RMCS shall have an enrollment cap of 1000 students total across all of its programs. *No second. Motion amendment failed.*

MS (Peterson 2nd amendment/none)

Motion to conditionally renew the charter for RMCS for a 5-year operational term to begin 7/1/22 with the following conditions: (1) by 2024 and continuing thereafter, each of RMCS Virtual and Alternative Virtual High School programs must meet standard on each academic measure when compared to their peer comparison group. Said comparison groups to be negotiated with Commission and incorporated into the school's performance certificate; Conditions 2-5 as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter; and adding a sixth condition to require that beginning with the new performance certificate, RMCS shall have an enrollment cap of 800 students in its virtual programs. *No second. Motion amendment failed.*

M(Peterson 3rd amendment/Scigliano) Motion to conditionally renew the charter for RMCS for a 5-year operational term to begin 7/1/22 with the following conditions: (1) by 2024 and continuing thereafter, each of RMCS Virtual and Alternative Virtual High School programs must meet standard on each academic measure when compared to their peer comparison group. Said comparison groups to be negotiated with Commission and incorporated into the school's performance certificate; Conditions 2-5 as presented in the Notice and Acknowledgement of Commission Director's Recommendation for Renewal of Charter; and adding a sixth condition to require that beginning with the new performance certificate, RMCS shall have an enrollment cap of 1200 students across of its programs. *Motion passed 3:1. Quinn dissenting.*

The administrative hearing for Richard McKenna Charter School was concluded by Chairman Reed at 4:19 p.m. and noted that a final order would be issued in writing at a later date.

The Final Order in this matter was issued to both parties on March 10, 2022.

II. PUBLIC COMMENT

A. Live Comment

1. Members of the public may address the IPCSC during this meeting.
2. Members of the public must indicate the topic they wish to address on the sign-in sheet prior to the start of the meeting.
3. Public comments shall be limited to three (3) minutes.

B. Written Comment

1. Written comment may be submitted to the PCSC staff at any time.
2. Written comment must be identified as such and must include the name and contact information of the author.
3. Written comment submitted at least seven (7) days in advance of a PCSC meeting will be included in the meeting materials.
4. Written comment submitted fewer than seven (7) days in advance of a PCSC meeting will be distributed to commissioners, but may not be included in the meeting materials.

III. Consideration of Performance Certificates

A. Renewal Certificates

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §33-5205B – Performance Certificates

I.C. §33-5209B – Charter Renewals

BACKGROUND

Charters must be considered for renewal by the authorizer every five years. A school that met all the terms of its performance certificate, including the framework measures, is guaranteed another five years without conditions.

A school that does not meet one or more of the terms of its performance certificate, including the framework measures, may be considered for conditional renewal or may not be renewed.

Renewal decisions must be grounded in the school's outcomes on the pre-established standards and the terms of the operating contract (performance certificate).

DISCUSSION

On February 10, 2022 the IPCSC considered charter renewals for ten (10) charter schools who agreed with the IPCSC Director's renewal recommendation. On February 11, 2022 the IPCSC held administrative hearings for two (2) additional schools who requested administrative hearings to contest the IPCSC Director's renewal recommendations.

The outcomes were as follows:

- American Heritage Charter School – Renewed with no conditions
- Another Choice Virtual Charter School – Not renewed
- Bingham Academy – Renewed with conditions
- Chief Tahgee Elementary Academy – Renewed with conditions
- Coeur d'Alene Charter Academy – Renewed with no conditions
- Heritage Academy – Renewed with no conditions
- Idaho Connects Online – Renewed with conditions
- iSucceed Virtual High School – Renewed with conditions
- Idaho Technical Career Academy – Renewed with conditions
- Kootenai Bridge Academy – Renewed with no conditions
- Richard McKenna Charter School – Renewed with conditions
- Syringa Mountain School – Renewed with conditions

Another Choice Virtual Charter School has the right to appeal the Commission's decision to the State Board of Education. The school's current contract is set to expire on June 30, 2022.

All other schools have engaged with the IPCSC staff to negotiate the terms of a next performance certificate to begin on July 1, 2022. Performance certificates for all renewed schools are approved by each school's governing board as presented in these materials.

The performance certificate for Richard McKenna Charter School includes adjustments that must be considered in a separate motion. These are indicated in red text and are as follows:

1. Clarification of renewal conditions 2, 3, and 5 indicating that these conditions apply specifically to the school's K-12 onsite program (see page 318 of the meeting materials packet)
2. Inclusion of definitions with regard to alternative measures 4 and 5 (see pages 313 and 314 of the meeting materials packet);
3. Customization of alternative measure 6 to reflect the school's six-week block schedule (see page 315 of the meeting materials packet) and
4. Addition of a secondary path to meeting standard on the graduation rate measure for the onsite program that considers the school's small cohort size (see page 306 of the meeting materials packet).

IMPACT

No charter school can begin operating in any given school year without an active performance certificate. As all twelve schools considered for renewal in February have performance certificates that will expire on June 30, 2022, certificates for the next operating term must be executed by the Commission before that date.

STAFF COMMENTS AND RECOMMENDATIONS

The IPCSC recommends that the commission approve the performance certificates for all schools as presented.

COMMISSION ACTION 1 – Performance Certificates

A motion to approve the performance certificates to begin July 1, 2022 and end June 30, 2027 as presented for the following schools: American Heritage Charter School, Bingham Academy, Chief Tahgee Elementary Academy, Coeur d'Alene Charter Academy, Heritage Academy, Idaho Connects Online, iSucceed Virtual High School, Idaho Technical Career Academy, Kootenai Bridge Academy, and Syringa Mountain School;

OR

A motion to deny the performance certificate for [state name of school] and to instruct the Director renegotiate the terms of the certificate.

COMMISSION ACTION 2 – Richard McKenna Charter School

A motion to approve the performance certificate for Richard McKenna Charter School to begin July 1, 2022 and end June 30, 2027, including the following:

1. Clarification of renewal conditions 2, 3, and 5 indicating that these conditions apply specifically to the school's K-12 onsite program;
2. Inclusion of definitions with regard to alternative measures 4 and 5;
3. Customization of alternative measure 6 to reflect the school's six-week block schedule; and
4. Addition of a secondary path to meeting standard on the graduation rate measure for the onsite program that considers the school's small cohort size.

OR

A motion to deny the performance certificate for Richard McKenna Charter School and to instruct the Director to renegotiate the terms of the certificate.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **American Heritage Charter School, Inc.** (the “Charter Holder”) for the purpose of operating **American Heritage Charter School** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **August 7, 2012** the Authorizer approved the Charter Holder’s new charter school petition; and

WHEREAS, on **February 7, 2017**, the Authorizer renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022 with no conditions; and

WHEREAS, on **February 11, 2022**, the Authorizer renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027 with no conditions;

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix B and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
At American Heritage Charter School, our mission is to create patriotic and educated leaders. We believe in James Madison’s statement that, “The advancement and diffusion of knowledge is the only guardian of true liberty.”
- B. Grades Served.** The School may serve students in grades **Kindergarten** through **12**.

- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall focus on patriotic American values through daily teaching of the American Heritage Curriculum, fostering a service centered and civic-minded culture, emphasizing American exceptionalism as founded upon our Constitution and Bill of Rights, and helping students to understand how to access the American Dream by requiring age appropriate money management, entrepreneurship, and free market capitalism education K-12. This shall be verified by student learning portfolios.
 - ii. The School shall build a culture of respect by providing a controlled disciplinary environment, requiring students and staff to adhere to dress code, exhibiting and expecting exemplary behavior from students and staff, and implementing the character education program in the American Heritage Curriculum. This shall be verified by the amount of referrals sent to the office for citations and refocus forms.
 - iii. The School shall provide a rigorous academic education by requiring the Core Knowledge Curriculum K-8, and requiring that graduation with honors from AHCS will require coursework in history, social studies and economics above and beyond the state's graduation requirements. This shall be verified by student learning portfolios.
 - iv. The School shall support teacher growth and excellence. This shall be verified by the school's professional development schedule.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the "Board") incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School's operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules,

regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
 - i. The School’s comparison group shall include all schools in the following school district: **Idaho Falls (091)**.
- D. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.
- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- I. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy.

Reports from any site visit shall be made available to the School and shall be included in the School's annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 690.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
- i. **Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30; and
 - ii. The School will not offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): 1736 S 35th W, Idaho Falls, ID 83402. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School's primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
- i. The School's primary attendance areas is as follows: Idaho Falls School District 91.
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains

appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.

- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
American Heritage Charter School, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. Literacy Proficiency
6. College and Career Readiness

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. LITERACY PROFICIENCY

Literacy Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Literacy Proficiency Rubric	
Exceeds Standard	<p><u>One of the following is true:</u></p> <ul style="list-style-type: none"> • The school's proficiency rate on the spring administration of the statewide literacy assessment is greater than one standard deviation above the mean of the identified comparison group; • <u>the school's proficiency rate on the spring administration of the statewide literacy assessment is at or above 90%</u>; OR • The fall to spring change in proficiency rate is 20% or greater.
Meets Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment is equal to the mean or within one standard deviation above the mean of the identified comparison group; OR the school's fall to spring change in proficiency rate is between 10%-19%.</p>
Approaches Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment falls within one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The school's proficiency rate on the spring administration of the statewide literacy assessment is more than one standard deviation below the mean of the identified comparison group.</p>

6. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The PCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	<u>All of the following are true:</u> <ul style="list-style-type: none"> • <u>The school's English Language Learner program is in good standing;</u> • <u>The school's Special Education program is in good standing;</u> • <u>The school's college and career readiness program is in good standing; and,</u> • <u>The school's federal programs are in good standing.</u>
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: ~~Mid-Term ADA~~ Actual enrollment as of the first Friday in November (drawn from ISEE) divided by ~~e~~ Enrollment P ~~projections~~ (as submitted directly to the IPCSC in July).

Data Source: ~~Mid-Term ADA report~~ ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric	
Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio	
Exceeds Standard	The school has met standard for 3 consecutive years, <u>including the most recently completed school year.</u> , OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, <u>including the most recently completed school year.</u>
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Idaho STEM Academy, DBA Bingham Academy** (the “Charter Holder”) for the purpose of operating **Idaho STEM Academy, DBA Bingham Academy** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **April 11, 2013**, the Authorizer approved the Charter Holder’s petition to establish a new charter school; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 10, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix C and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as **Appendix B** and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School’s Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
The mission of Bingham Academy (BA) is to prepare students to make intelligent and appropriate decisions about their education and future careers. Students who are motivated will be able to complete an Associate Degree by the time they graduate from high school.
- B. Grades Served.** The School may serve students in grades 9 through 12.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall provide and encourage extensive participation in Dual Enrollment coursework so that our students may earn college credits while still in high school. This shall be verified by the accreditation report.
 - ii. The School shall provide and encourage extensive participation in Tech Prep coursework leading toward college credits and professional/technical careers. This shall be verified by the accreditation report.
 - iii. The School shall provide and encourage extensive participation in STEM coursework approved by "the STEM academy" leading toward credits provided by their partner colleges. This shall be verified by the accreditation report.
- 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. The School shall be accredited or appropriately credentialed by Cognia. The School shall also maintain STEM Certification through Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the "Board") incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School's operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules,

regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as **Appendix A**. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
- i. The School’s comparison group shall include the following schools:
 - **Shelley Senior High School, #0035**
 - **Blackfoot High School, #0034**
 - **Aberdeen High School, #0036**
 - **Snake River High School, #0032**
 - **Firth High School, #0038**
- D. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.

- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- I. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy. Reports from any site visit shall be made available to the School and shall be included in the School’s annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 400.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30.
 - ii.** The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): 1350 Parkway Drive, Suites 14-19, Blackfoot, ID 83221. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School’s primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i.** The School’s primary attendance area is as follows: Blackfoot, Snake River, and Firth School Districts.
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in **Appendix B**, by the stated due date. The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Idaho STEM Academy, Inc., DBA Bingham Academy **Governing Board**

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. College and Career Readiness

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

5. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The PCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	The IPCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school’s ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	The school’s English Language Learner program is in good standing. Special Education program and federal programs are in good standing; and The school’s college and career readiness program is in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections (as submitted directly to the IPCSC in July).

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric	
Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio	
Exceeds Standard	The school has met standard for 3 consecutive years, OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years.
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Appendix B: Conditions

Appendix B: Conditions of Renewal

1. Condition 1: Bingham Academy must have a positive year-end fund balance at the end of each fiscal year of the renewed performance certificate term. This condition is based on Bingham Academy meeting and maintaining the fund balance necessary for removal of the Notification of Fiscal Concern under which it currently operates. This condition will be evaluated on November 1st of each year of the renewed term and will be based on the financial data reported in Bingham Academy's independent financial audit report submitted annually to the Commission.
2. Condition 2: Bingham Academy must either have a minimum of sixty (60) days of cash on hand or between thirty (30) and sixty (60) days cash on hand with a positive one-year trend at the end of each fiscal year of the renewed performance certificate term. This condition is based on Bingham Academy meeting and maintaining the number of days' cash on hand necessary for removal of the Notification of Fiscal Concern under which the school currently operates. This condition will be evaluated on November 1st of each year of the renewed term using the calculation identified in the "cash on hand" measure of the Commission's performance framework, and will be based on the financial data reported in Bingham Academy's independent financial audit report submitted annually to the Commission.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Chief Tahgee Elementary Academy, Inc.** (the “Charter Holder”) for the purpose of operating **Chief Tahgee Elementary Academy** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **October 19, 2012**, the Authorizer approved the Charter Holder’s petition to establish a new charter school; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 10, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix C and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as **Appendix B** and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School’s Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
To provide every student the Power of Two. The Power of Two is the ability to speak, read, write and think in both English and the Shoshoni language. Students who have the Power of Two are better prepared to meet the challenges of a global society because they have these life advantages: enhanced cognitive skills, greater success in cross-cultural communication, more career opportunities, enhanced problem-solving skills, and preparation for the global economy.
- B. Grades Served.** The School may serve students in grades Kindergarten through 8.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall provide a Shoshoni language immersion program. This shall be verified by implementation of a Shoshoni language immersion program, curriculum, lesson plans, and class observation.
 - ii. The School shall provide instruction in Shoshone-Bannock culture. This shall be verified by curriculum, lesson plans, and class observation.
 - iii. The School shall emphasize a thematic approach to instruction. This shall be verified by classroom observation.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules,

regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as **Appendix A**. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
- i. The School’s comparison group shall include the following schools:
 - Donald Stalker Elementary, #382
 - Heritage Academy, #1341
 - Fort Hall Elementary, #387
 - Jefferson Elementary, #365
 - Lewis and Clark Elementary, #368
 - Lakeside Elementary, #752
- D. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.

- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- I. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy. Reports from any site visit shall be made available to the School and shall be included in the School’s annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 210.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30.
- D. School Facilities.** The School shall operate at the following location(s): 34 South Hiline Rd, Pocatello, ID 83202 (mailing address P.O. Box 217, Fort hall, ID 83202). The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School’s primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i.** The School’s primary attendance areas is as follows: Pocatello School District, Blackfoot School District, and the entirety of the Fort Hall Indian Reservation.
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in **Appendix B**, by the stated due date. The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Chief Tahgee Elementary Academy Governing Board

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. Literacy Proficiency

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. LITERACY PROFICIENCY

Literacy Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Literacy Proficiency Rubric	
Exceeds Standard	<p>One of the following is true:</p> <ul style="list-style-type: none"> • The school's proficiency rate on the spring administration of the statewide literacy assessment is greater than one standard deviation above the mean of the identified comparison group; • the school's proficiency rate on the spring administration of the statewide literacy assessment is at or above 90%; OR • The fall to spring change in proficiency rate is 20% or greater.
Meets Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment is equal to the mean or within one standard deviation above the mean of the identified comparison group; OR the school's fall to spring change in proficiency rate is between 10%-19%.</p>
Approaches Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment falls within one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The school's proficiency rate on the spring administration of the statewide literacy assessment is more than one standard deviation below the mean of the identified comparison group.</p>

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric	
Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio	
Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Appendix B: Conditions

Appendix B: Conditions of Renewal

1. Condition 1: CTEA must submit all reports due to the State Department of Education, the State Board of Education, and the Commission by the corresponding deadlines published in Idaho Code, Commission policy, and the State Department of Education's Data Acquisition Calendar. This condition is based on chronically late reporting practices at CTEA, as noted in the operational section of the Commission's Performance Framework across multiple annual performance reports. This condition must be met by June 30th of each year of the renewal term and will be evaluated by Commission staff on June 30th of each year.
2. Condition 2: At least 24% of continuously-enrolled students at CTEA must achieve proficiency on the math statewide math assessment (currently the ISAT) by June 30, 2023. This condition is based on the school achieving a meets standard rating on this measure of the Commission's Performance Framework and represents a 10% increase in proficiency over CTEA's 2021 proficiency rate.
3. Condition 3: At least 27% of continuously-enrolled students at CTEA must achieve proficiency on the English Language Arts statewide assessment (currently the ISAT) by June 30, 2023. This condition is based on CTEA achieving a meets standard rating on this measure of the Commission's Performance Framework and represents a 10% increase in proficiency over CTEA's 2021 proficiency rate.
4. Condition 4: CTEA must successfully complete one of the following: (1) Achieve a proficiency rate on the spring administration of the statewide literacy assessment (currently the IRI) equal to or greater than the average proficiency rate of CTEA's identified comparison group as identified in CTEA's current performance certificate; or (2) CTEA must increase the percent of continuously enrolled students who achieved proficiency on the statewide literacy assessment by at least 10% between the fall and spring administrations of the assessment. This condition must be met by June 30, 2023. This condition is based on the proficiency rate necessary to meet standard on this measure.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Coeur d’Alene Charter Academy** (the “Charter Holder”) for the purpose of operating **Coeur d’Alene Charter Academy** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **December 11, 2014**, the Authorizer approved a petition to transfer authorization of the School’s charter from the Coeur d’Alene School District to the Authorizer; and

WHEREAS, on **February 7, 2017**, the Authorizer renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022 with no conditions; and

WHEREAS, on **February 10, 2022**, the Authorizer renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027 with no conditions.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix B and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
The Coeur d’Alene Charter Academy is dedicated to providing a rigorous, content-rich, college-preparatory education to any students we are willing to accept the challenge.
- B. Grades Served.** The School may serve students in grades **6** through **12**.
- C. Design Elements.** The School shall implement and maintain the following essential design

elements of its educational program:

- i. The School shall provide a rigorous college-preparatory education, which, in addition to fulfilling state graduation requirements, will also include: two credits of Latin for 8th grade students, four credits of foreign language, four years of high school math, Ancient History and Literature, European History and Literature, and opportunities to take advance placement and dual enrollment courses for concurrent college credit . This shall be verified by the accreditation report.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework

(“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.

- C. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
 - i. The School’s comparison group shall include all schools in the following school district: **Coeur d’Alene, #271.**
- D. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.
- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- I. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy. Reports from any site visit shall be made available to the School and shall be included in the School’s annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be **812.**
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.

- i. **Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30
 - ii. The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): 4904 N Duncan Dr, Coeur d'Alene, ID 83815. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School's primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i. The School's primary attendance areas is as follows: Kootenai County, Idaho.
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Coeur d'Alene Charter Academy Governing Board

Appendix A: Performance Framework

Appendix B: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. College and Career Readiness

Identified Comparison Group Options:

- All schools in the traditional district in which the school is located as reported on the Idaho Report Card.
- A custom group of individual schools from across Idaho that have similar demographic attributes to the charter school.
- All alternative schools in Idaho.

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The PCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Heritage Academy, Inc.** (the “Charter Holder”) for the purpose of operating **Heritage Academy** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **August, 5, 2010**, the Authorizer approved the Charter Holder’s petition to establish a new charter school; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 11, 2022**, the Authorizer renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027 with no conditions.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix B and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
Our school community brings together the resources necessary to help all students grow and succeed. Heritage Academy believes each student has gifts, talents and strengths. We embrace a diverse student body and commit to creating a nurturing and supportive school culture. Our school ensures that all students acquire the academic, interpersonal, critical thinking and problem-

solving skills and mindsets to succeed in school, career and life. Our goal is to enable students to become responsible, respectful and caring members of society.

- B. Grades Served.** The School may serve students in grades Kindergarten through 8.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
 - i.** The School shall use the School Enrichment Model (SEM) to provide expanded educational opportunities for all students based on their strengths and interests in order to engage them in their learning, thereby raising expectations and achievement for all. The fundamental aspect of the SEM is Enrichment Clusters, where each student participates in at least one enrichment cluster per school year. Clusters last 6-12 weeks and typically meet once per week. Students work in small groups to produce products or services that solve real-world problems and benefit the students, their school, or the larger community. This shall be verified by observation of SEM Enrichment Clusters.
 - ii.** The School shall provide a strong Social Emotional Learning (SEL) program, including implementation of 7 Mindsets Program and a safe environment for students. This shall be verified by observation of curriculum and classroom observation.
 - iii.** The School shall provide a community school approach to meeting the needs of students and families. This shall be verified by observation and knowledge of programs implemented to meet student and family needs.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by

and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Separate Academic Evaluations.** The academic performance outcomes of the K-12 on-site programs operated by the School shall be aggregated across all grades for reportability. The aggregated K-12 on-site program, the virtual program, and the virtual-alternative program shall each be evaluated separately with regard to the academic section of the Performance Framework.
- D. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
- i. The School’s comparison group shall include the following schools:
 - Heritage Community Charter School, #1343
 - Chief Tahgee Elementary, #1347
 - Bickel Elementary School, #0820
 - Central Elementary School, #0447
 - Lakeside Elementary School, #0752
 - Garfield Elementary School, #0303
- E. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- F. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- G. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework, as reported in the annual Performance Report issued by

the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School's Charter at the end of the Certificate term. The School's Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.

- H. Required Reports.** The School shall prepare and submit reports as required by the Authorizer's policy.
- I. Authorizer's Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- J. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer's policy. Reports from any site visit shall be made available to the School and shall be included in the School's annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 210.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30.
 - ii.** The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): 500 S Lincoln Ave, Jerome, ID 83338. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School's primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i.** The School's primary attendance areas is as follows: North boundary: 900 North Rd; East boundary: 500 East Rd; South boundary: Golf Course Rd; West boundary: 500 West Rd.

- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School’s Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer’s closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School’s Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School’s Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer’s closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer.

Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Heritage Academy, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. Literacy Proficiency

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. LITERACY PROFICIENCY

Literacy Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Literacy Proficiency Rubric	
Exceeds Standard	<p>One of the following is true:</p> <ul style="list-style-type: none"> • The school's proficiency rate on the spring administration of the statewide literacy assessment is greater than one standard deviation above the mean of the identified comparison group; • the school's proficiency rate on the spring administration of the statewide literacy assessment is at or above 90%; OR • The fall to spring change in proficiency rate is 20% or greater.
Meets Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment is equal to the mean or within one standard deviation above the mean of the identified comparison group; OR the school's fall to spring change in proficiency rate is between 10%-19%.</p>
Approaches Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment falls within one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The school's proficiency rate on the spring administration of the statewide literacy assessment is more than one standard deviation below the mean of the identified comparison group.</p>

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric	
Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio	
Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Idaho Virtual Education Partners, Inc.** (the “Charter Holder”) for the purpose of operating **Idaho Connects Online School** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **October 16, 2008** the Authorizer approved the new charter school petition; and

WHEREAS, on February 7, 2017, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 11, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix C and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as Appendix B and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School’s Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
to provide middle and high school students with a personalized education alternative that integrates one-to-one support, a robust curriculum, flexible instruction, and innovative technology in an Idaho public charter school.
- B. Grades Served.** The School may serve students in grades 6 through 12.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School is committed to offering a school choice for a diverse population of students with enrollment options all year. The School shall offer a general education program, which shall be made available to all students. The School shall also offer an alternative education program, which shall be made available to students who meet the definition of at-risk. This shall be verified by ISEE reporting.
 - ii. The School is committed to offering a learning environment targeted toward each specific learner and their needs. The School shall provide learners with flexible pacing which allows them to work at their learning pace to meet essential skills and standards through a mastery based approach. This shall be verified through Cognia School Accreditation.
 - iii. The School is committed to offering the ability for students to school in a variety of settings regardless of their life circumstances. The School shall provide learners with the ability to school from a variety of locations that include but are not limited to their home environment, residential care centers, detention centers, and local school settings for migrant students and those needing dual enrollment options. This shall be verified by ISEE reporting.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and

a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.

- C. **Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. **Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. **Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. **Separate Academic Evaluations.** The academic performance outcomes of the 6-12 general education program and the 6-12 alternative program shall each be evaluated separately with regard to the academic section of the Performance Framework. Additionally, students who are enrolled in either program through a residential treatment center and whose enrollment is intended to be temporary and whose participation is expected to be limited will be excluded from the assessment outcomes. These students must be indicated as such in the School’s ISEE (or SAS) reporting.
- D. **Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
 - i. The School’s comparison group shall include all schools in the following school district: all virtual schools in Idaho.
- E. **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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- F. **School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its

Certificate, including all appendices, at the time of renewal.

- G. Performance Framework as Basis for Renewal of Charter.** The School's performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School's Charter at the end of the Certificate term. The School's Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- H. Required Reports.** The School shall prepare and submit reports as required by the Authorizer's policy.
- I. Authorizer's Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- J. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer's policy. Reports from any site visit shall be made available to the School and shall be included in the School's annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall not exceed **800** students.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30
 - ii.** The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): **4483 Dresden Place Suite 101 Garden City, Idaho 83714**. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School's primary attendance area shall be used for the purposes of

determining applicability of this enrollment preference category.

i. The School's primary attendance areas is as follows: **state of Idaho**.

F. Staff. Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.

B. Financial Controls. At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.

C. Financial Audit. The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

A. Relinquishment. Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.

B. Nonrenewal. The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.

C. Revocation. The School's Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in Appendix B, by the stated due date. The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly

scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.

- D. Closure.** The Authorizer’s closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer’s decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Idaho Virtual Education Partners, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

General Education Program Standard Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. College and Career Readiness – 4-Year ACGR

Alternative Education Program Standard Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. College and Career Readiness – 5-Year ACGR

Alternative Education Program Supplemental Measures

1. Math Content Mastery
2. ELA Content Mastery
3. Progress Toward Graduation
4. Additional Graduates

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school's proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school's proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school's proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school's proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school's proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school's proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. COLLEGE AND CAREER READINESS – 4-YEAR ACGR

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year ACGR is more than one standard deviation below the identified comparison group.

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. COLLEGE AND CAREER READINESS – 5-YEAR ACGR

C&C Readiness Rubric	
Exceeds Standard	The school's 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 5-Year ACGR is more than one standard deviation below the identified comparison group.

1. MATH CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school’s academic outcomes.

Idaho graduation requirements only require math to be taken in three of the four years of high school. Alternative schools structure this requirement differently. For the purposes of this measure, the total number of continuously enrolled students will exclude students enrolled in a grade for which the school does not require math to be taken.

Alt Proficiency Rubric	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school’s percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school’s percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school’s percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school’s percentage in the previous year.

2. ELA CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

Alt Proficiency Rubric	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

3. 9-12 PROGRESS TOWARD GRADUATION

Note: This measure will be considered in addition to the standard growth measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school’s academic outcomes.

For the purpose of this measure, a quarter of instructional enrollment will be calculated based on the number of instructional days reported and may be further modified by mutual agreement of the school and the IPCSC based on the alternative school’s course completion structure.

Alt Growth Rubric	
Exceeds Standard	More than 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter.
Meets Standard	Between 65% and 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter falls ,OR this percentage is less than 65% BUT at least 5% greater than in the previous year.
Approaches Standard	Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is between 3% and 5% greater than the previous year.
Does Not Meet Standard	Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is less than 3% greater than in the previous year.

4. COLLEGE AND CAREER READINESS – ALTERNATIVE

Note: This measure will be considered in addition to the standard college and career readiness measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

C&C Readiness Rubric	
Exceeds Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 75%.
Meets Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is below, but no more than 10% below the school's percentage in the previous year.
Does Not Meet Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% below the school's percentage in the previous year.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Appendix B: Conditions

Appendix B: Conditions of Renewal

Condition 1: ICON's alternative program will meet standard on the IPCSC's Progress Toward Graduation measure at the end of the 2022-23 school year. This condition will be evaluated by October 31, 2023. The evaluation will be consistent with the formula for this measure as it is defined in the Commission's Performance Framework incorporated into ICON's active Performance Certificate as of October 31, 2023. The measures will be based on instructional days rather than calendar days and will exclude students enrolled through identified treatment programs.

Condition 2: At least 35% of the continuously-enrolled students who took the math ISAT and are not enrolled in ICON's alternative program must achieve proficiency on the statewide math assessment (currently the ISAT) by June 30, 2023. This condition reflects a 5% increase in the mathematics proficiency rate achieved by students not enrolled in the alternative program during FY21.

Condition 3: ICON's negotiated performance certificate shall include a maximum enrollment number not to exceed 800 students across grades 6-12 and across all program offerings. However, ICON will be permitted to request an increase in this enrollment number through the charter revision process. This condition considers that the average enrollment at ICON across the 5 years preceding the COVID-19 pandemic was 181 students, and that at the highest point during the COVID-19 pandemic, ICON's enrollment peaked at 338 students. The purpose of this condition is to ensure budget predictability for all schools and to ensure that emergency growth decisions are made by the appropriate entity. This condition must be met by June 30, 2022.

Note: The IPCSC acknowledges that in any given year approximately 50% of the students enrolled in ICON's alternative program are students participating in temporary residential treatment programs. These students are only expected to participate for the length of time they remain in the treatment program and at a level of participation appropriate for that child's medical and social-emotional situation. This group of students will not be included in any alternative measure calculations for ICON.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **iSucceed Virtual High School, Inc.** (the “Charter Holder”) for the purpose of operating **iSucceed Virtual Schools** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **November 13, 2007** the Authorizer approved the new charter school petition; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 11, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix C and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as Appendix B and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School’s Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

iSucceed Virtual High School, Inc.
Performance Certificate **2022 – 2027**
Executed **April 14, 2022**

Page 1 of 6

- A. School Mission.** The mission of the School is as follows:
 To engage and motivate all students in a quality personalized education that promotes individual success and lifelong learning.
- B. Grades Served.** The School may serve students in grades 7 through 12.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall offer a general education program, which shall be made available to all students, and an alternative education program, which shall be made available to students who meet the statutory definition of at-risk. This shall be verified by ISEE reporting.
 - ii. The School shall provide a virtual setting that allows for flexibility and individualized scheduling. This shall be verified by an accreditation report.
 - iii. The School shall identify individual student needs and provide the appropriate interventions and enrichment opportunities for all students. This shall be verified by an accreditation report and Schoolwide Title I program and Federal Programs review.
 - iv. The School shall provide advisory teachers for all students for all students, who will support them throughout their high school career. This shall be verified by an accreditation report.
 - v. The School shall foster parent involvement through a variety of opportunities to serve the school and its students. This shall be verified by an accreditation report and Schoolwide Title I program and Federal Programs review.
 - vi. The School shall provide extra-curricular activities and offer opportunities for students to participate in non-academic endeavors. This shall be verified by ISEE reporting.
 - vii. The School shall equip students with 21st Century Learning Skills and foster a technologically literate approach to learning that is both engaging and practical for use in the school setting as well as the real world. This shall be verified by an accreditation report.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.

- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Separate Academic Evaluations.** The academic performance outcomes of the 7-12 general education program and the 7-12 alternative program shall each be evaluated separately with regard to the academic section of the Performance Framework.
- D. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
- i. The School’s general education program shall have a comparison group that includes the following schools: all virtual schools in Idaho, excluding the School’s own program.
 - ii. The School’s alternative program shall have a comparison group that includes the following schools: all alternative schools in Idaho, including alternative programs operated by IPCSC authorized schools and excluding the School’s own program.
- E. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.

- F. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- G. Performance Framework as Basis for Renewal of Charter.** The School's performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School's Charter at the end of the Certificate term. The School's Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- H. Required Reports.** The School shall prepare and submit reports as required by the Authorizer's policy.
- I. Authorizer's Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- J. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer's policy. Reports from any site visit shall be made available to the School and shall be included in the School's annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 1800.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30
 - ii.** The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): 6148 N Discovery Way, Suite 120, Boise, ID 83713. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.

- E. **Attendance Area.** The School’s primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i. The School’s primary attendance areas is as follows: **state of Idaho**.
- F. **Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School’s Performance Framework.
- B. **Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. **Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. **Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer’s closure protocol shall begin immediately following written notification.
- B. **Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. **Revocation.** The School’s Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in Appendix A, by the stated due date. The School’s Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School’s Charter at its next regularly

scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.

- D. Closure.** The Authorizer’s closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer’s decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
iSucceed Virtual High School, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

General Education Program Standard Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. College and Career Readiness – 4-Year ACGR

Alternative Education Program Standard Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. College and Career Readiness – 5-Year ACGR

Alternative Education Program Supplemental Measures

1. Math Content Mastery
2. ELA Content Mastery
3. Progress Toward Graduation
4. Additional Graduates

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. COLLEGE AND CAREER READINESS – 4-YEAR ACGR

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year ACGR is more than one standard deviation below the identified comparison group.

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. COLLEGE AND CAREER READINESS – 5-YEAR ACGR

C&C Readiness Rubric	
Exceeds Standard	The school's 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 5-Year ACGR is more than one standard deviation below the identified comparison group.

1. MATH CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

Idaho graduation requirements only require math to be taken in three of the four years of high school. Alternative schools structure this requirement differently. For the purposes of this measure, the total number of continuously enrolled students will exclude students enrolled in a grade for which the school does not require math to be taken.

Alt Proficiency Rubric	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

2. ELA CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

Alt Proficiency Rubric	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

3. 9-12 PROGRESS TOWARD GRADUATION

Note: This measure will be considered in addition to the standard growth measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

For the purpose of this measure, a quarter of instructional enrollment will be calculated based on the number of instructional days reported and may be further modified by mutual agreement of the school and the IPCSC based on the alternative school's course completion structure.

Alt Growth Rubric	
Exceeds Standard	More than 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter.
Meets Standard	Between 65% and 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter falls ,OR this percentage is less than 65% BUT at least 5% greater than in the previous year.
Approaches Standard	Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is between 3% and 5% greater than the previous year.
Does Not Meet Standard	Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is less than 3% greater than in the previous year.

4. COLLEGE AND CAREER READINESS – ALTERNATIVE

Note: This measure will be considered in addition to the standard college and career readiness measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

C&C Readiness Rubric	
Exceeds Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 75%.
Meets Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is below, but no more than 10% below the school's percentage in the previous year.
Does Not Meet Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% below the school's percentage in the previous year.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric	
Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio	
Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Appendix B: Conditions

Appendix B: Conditions of Renewal

Condition 1: ISUCCEED's alternative program will meet standard on the IPCSC's Progress Toward Graduation measure at the end of the 2022-23 school year. This condition will be evaluated by October 31, 2023. The evaluation will be consistent with the formula for this measure as it is defined in the Commission's Performance Framework incorporated into ISUCCEED's active Performance Certificate as of October 31, 2023. The measures will be based on instructional days rather than calendar days.

Condition 2: The percentage of continuously-enrolled students in grades 10-12 who are enrolled in ISUCCEED's alternative program, referred to as iSucceed Academy, and who successfully complete 2 credits of math must be 5% greater by June 30, 2023 than the school's 2021 rate, and must either meet standard as it is defined in the Commission's Performance Framework or be 10% greater than the school's 2021 rate by June 30, 2024.

Condition 3: ISUCCEED's negotiated performance certificate shall include a maximum enrollment number not to exceed 1,800 students across grades 7-12. However, ISUCCEED will be permitted to request an increase in this enrollment number through the charter revision process. This condition considers that the average enrollment at ISUCCEED across the 5 years preceding the COVID-19 pandemic was 514 students, and that at the highest point during the pandemic, ISUCCEED's enrollment peaked at 1,009. This condition also considers that ISUCCEED was approved to add 7th and 8th grade in a 2020 performance certificate amendment. The purpose of this condition is to ensure budget predictability for all schools and to ensure that emergency growth decisions are made by the appropriate entity. This condition must be met by June 30, 2022.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Idaho College and Career Readiness Academy, Inc.** (the “Charter Holder”) for the purpose of operating **Idaho Technical Career Academy** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **October 10, 2013** the Authorizer approved the Charter Holder’s new charter school petition; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 11, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix C and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as **Appendix B** and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School’s Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
ITCA is a virtual career technical education charter school that provides an occupational sequence of instruction that will prepare Idaho students to obtain the necessary technical skills needed to succeed.
- B. Grades Served.** The School may serve students in grades 9 through 12.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall provide academic core curriculum aligned to state standards. This shall be verified by the accreditation report.
 - ii. The School shall provide a sequence of instruction in career-technical pathways. A Pathway is a three-year sequence of focused coursework in a particular career cluster; all students will be continually enrolled in career technical coursework. This shall be verified by the accreditation report.
 - iii. The School shall place each student with an advisory teacher. This shall be verified by the accreditation report.
 - iv. The School shall foster industry involvement. This shall be verified by the accreditation report.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by

and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
- i. The School’s comparison group shall include the following schools:
 - All virtual schools in Idaho
- D. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.
- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a

manner that does not unduly inhibit the autonomy granted to the School.

- I. **Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy. Reports from any site visit shall be made available to the School and shall be included in the School’s annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. **In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. **Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 800.
- C. **Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. **Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30
 - ii. The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. **School Facilities.** The School shall operate at the following location(s): 1695 S Eagle Rd., Suite 150, Meridian, ID. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. **Attendance Area.** The School’s primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i. The School’s primary attendance areas is as follows: state of Idaho.
- F. **Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules,

regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.

- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in Appendix B, by the stated due date. The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Idaho College and Career Readiness Academy, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. College and Career Readiness

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The PCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school’s website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school’s occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Appendix B: Conditions

Appendix B: Conditions of Renewal

1. Condition 1: At least 27% of ITCA's continuously-enrolled students in grades 9 and 10 achieve proficiency on the statewide math assessment (currently the ISAT) by June 30, 2024. This condition is based on the school making progress toward the proficiency rate necessary to meet standard on this measure.
2. Condition 2: ITCA's negotiated performance certificate shall include a maximum enrollment number not to exceed 800 students. However, ITCA will be permitted to request an increase in this enrollment number through the charter revision process. This condition considers that the average enrollment at ITCA across the five (5) years preceding the COVID-19 pandemic was 112 students, and that at the highest point during the pandemic, ITCA's enrollment peaked at 290 students. The purpose of this condition is to ensure budget predictability for all schools and to ensure that emergency growth decisions are made by the appropriate entity. This condition must be met by July 1, 2022.
3. Condition 3: ITCA is no longer "exempt from some or all measures within the financial portion of the Performance Framework," as stated in ITCA's current performance certificate. ITCA's financial outcomes based on the financial measures of the Commission's Performance Framework are no longer exempt from publication in ITCA's annual performance report. The purpose of this condition is to ensure that the public has access to an annual performance report that provides complete and transparent information about ITCA's financial outcomes. This condition must be met by July 1, 2022.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Kootenai Bridge Academy, Inc.** (the “Charter Holder”) for the purpose of operating **Kootenai Bridge Academy** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **October 16, 2008** the Authorizer approved the new charter school petition; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 11, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix B and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
To provide every student an academically excellent education and to facilitate graduation for alternative students. We will provide bridges to success through education, self-motivation and community responsibility.
- B. Grades Served.** The School may serve students in grades **9** through **12**.
- C. Design Elements.** The School shall implement and maintain the following essential design

elements of its educational program:

- i. The School shall provide online delivery of core subjects. This shall be verified by an accreditation report.
 - ii. The School shall have the capability to deliver instruction both in the building and remotely. This shall be verified by an accreditation report.
 - iii. The School shall place heavy emphasis on one-on-one instruction and nurturing relationships between students and teachers. This shall be verified by an accreditation report.
 - iv. The School shall create a positive school climate where all students feel safe and respected. This shall be verified by an accreditation report.
 - v. The School shall require student completion of a senior project that will prepare students for the next step in their lives after graduating high school. This shall be verified by an accreditation report.
- 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
- i. The School’s comparison group shall include the following schools:
 - All alternative schools in Idaho
- D. 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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.
- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- I. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy. Reports from any site visit shall be made available to the School and shall be included in the School’s annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all

federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.

- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 320.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30
 - ii.** The School will offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): 637 N Park Dr., Coeur d'Alene, ID 83814. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School's primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i.** The School's primary attendance areas is as follows: Kootenai County, ID.
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.

- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Kootenai Bridge Academy, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

Standard Measures

1. Math Proficiency
2. ELA Proficiency
3. College and Career Readiness 4-Year ACGR
4. College and Career Readiness 5-Year ACGR

Supplemental Measures for At-Risk Schools

1. Math Content Mastery
2. ELA Content Mastery
3. Progress Toward Graduation
4. Additional Graduates

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. COLLEGE AND CAREER READINESS – 4-YEAR ACGR

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

C&C Readiness Rubric 4 Year ACGR	
Exceeds Standard	The school's 4-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year ACGR is more than one standard deviation below the identified comparison group.

4. COLLEGE AND CAREER READINESS – 5-YEAR ACGR

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

C&C Readiness Rubric 5 Year ACGR	
Exceeds Standard	The school's 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 5-Year ACGR is more than one standard deviation below the identified comparison group.

1. MATH CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

Idaho graduation requirements only require math to be taken in three of the four years of high school. Alternative schools structure this requirement differently. For the purposes of this measure, the total number of continuously enrolled students will exclude students enrolled in a grade for which the school does not require math to be taken.

Alt Proficiency Rubric	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

2. ELA CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

Alt Proficiency Rubric	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

3. 9-12 PROGRESS TOWARD GRADUATION

Note: This measure will be considered in addition to the standard growth measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school’s academic outcomes.

For the purpose of this measure, a quarter of instructional enrollment will be calculated based on the number of instructional days reported and may be further modified by mutual agreement of the school and the IPCSC based on the alternative school’s course completion structure.

Alt Growth Rubric	
Exceeds Standard	More than 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter.
Meets Standard	Between 65% and 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter falls ,OR this percentage is less than 65% BUT at least 5% greater than in the previous year.
Approaches Standard	Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is between 3% and 5% greater than the previous year.
Does Not Meet Standard	Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is less than 3% greater than in the previous year.

4. COLLEGE AND CAREER READINESS – ALTERNATIVE

Note: This measure will be considered in addition to the standard college and career readiness measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSC understand their school's academic outcomes.

C&C Readiness Rubric	
Exceeds Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 75%.
Meets Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is below, but no more than 10% below the school's percentage in the previous year.
Does Not Meet Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% below the school's percentage in the previous year.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Idaho Virtual High School, Inc.** (the “Charter Holder”) for the purpose of operating **Richard McKenna Charter School** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, on **September 17, 2004**, the Authorizer approved a petition to transfer authorization of the School’s charter from the Mountain Home School District to the Authorizer; and

WHEREAS, on **February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, on **February 11, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as Appendix C and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.

- B. Term of Agreement.** The School's operational term shall be from July 1, 2022 and end on June 30, 2027. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as Appendix B and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School's Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
Our mission is to help students develop a love for learning and serving by engaging their curiosity and creativity through meaningful activities that challenge their thinking, require effective communication, and build character.
- B. Grades Served.** The School may serve students in grades Kindergarten through 12.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall operate a K-6 on-site Montessori program. This shall be verified by curriculum, lesson plan, and classroom observation.
 - ii. The School shall operate a 7-12 on-site Project-Based-Learning program. This shall be verified by review of accreditation reports.
 - iii. The School shall operate a 9-12 virtual program focused on personal learning that offers a six-week block schedule. This shall be verified by review of accreditation reports.
 - iv. The School shall operate a virtual alternative program with a six-week block schedule for grades 9-12. This shall be verified by review of accreditation reports and by verification of at-risk status of students enrolled in the 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. The School shall be accredited or appropriately credentialed by Cognia. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the “Board”) incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School’s operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.
- C. Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as Appendix A. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. Separate Academic Evaluations.** The academic performance outcomes of the K-12 on-site programs operated by the School shall be aggregated across all grades for reportability. The aggregated K-12 on-site program, the virtual program, and the virtual-alternative program shall each be evaluated separately with regard to the academic section of the Performance Framework.
- D. Identified Comparison Group.** For purposes of evaluating the School against the

metrics and measures established in the Performance Framework, the School's comparison group shall be identified as described below and shall be established for the length of the Certificate term.

- i. The comparison group for the School's K-12 on-site program shall be the Mountain Home School District, Hagerman School District, and Bruneau-Grand View School District.
- ii. The comparison group for the School's virtual program shall include all virtual schools operating in Idaho (excluding the School's virtual program).
- iii. The comparison group for the School's virtual-alternative program shall include all alternative schools operating in Idaho (excluding the School's virtual-alternative program).

- E. 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. A formal report of the School's academic, financial, and operational performance ("Performance Report") shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- F. School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- G. Performance Framework as Basis for Renewal of Charter.** The School's performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School's Charter at the end of the Certificate term. The School's Performance Framework includes mission-specific measures, agreed to by the School and the Authorizer, and are incorporated in the Performance Framework.
- H. Required Reports.** The School shall prepare and submit reports as required by the Authorizer's policy.
- I. Authorizer's Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- J. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer's policy. Reports from any site visit shall be made available to the School and shall be included in the School's annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be **1200**.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
- i. **Calendar.** **The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30th.**
 - ii. The School **will** offer a summer school session for the purpose of acceleration and/or credit recovery.
- D. School Facilities.** The School shall operate at the following location(s): **675 S. Haskett Street, Mountain Home, Idaho 83647, 1305 E. 8th North Street, Mountain Home, Idaho 83647**. The School shall operate its virtual and virtual-alternative programs from the following physical location: **675 S. Haskett Street, Mountain Home, Idaho 83647**. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School's primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
- i. **The School's virtual and virtual-alternative programs shall have a primary attendance area as follows: State of Idaho for online program;**
 - ii. **The School's on-site programs shall have a primary attendance area as follows: Mountain Home School District #193.**
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in Appendix B, by the stated due date. The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke

directly to the State Board of Education.

- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Idaho Virtual High School, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

Contents

School-Wide Operational Measures

Board Stewardship

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

Management

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

School-Wide Financial Measures

Near-Term Measures

1. Current Ratio
2. Unrestricted Days Cash on Hand
3. Default
4. Enrollment Variance

Sustainability Measures

5. Total Margin and 3-year Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance

School-Wide Academic Measures

K-12 On-Site Program Academic Measures

1. Math Proficiency
2. English Language Arts Proficiency
3. Math Growth
4. English Language Arts Growth
5. Literacy Proficiency
6. College and Career Readiness (4-Year ACGR)

Virtual Program Academic Measures

1. Math Proficiency
2. English Language Arts Proficiency
3. College and Career Readiness (4-Year ACGR)

Virtual Alternative Program Academic Measures

1. Math Proficiency
2. English Language Arts Proficiency
3. College and Career Readiness (4-Year ACGR)
4. Math Content Mastery
5. English Language Arts Content Mastery
6. Progress Toward Graduation
7. College and Career Readiness (Additional Graduates)

COMPARISON GROUPS

RMCS's K-12 Onsite Comparison Group is: **Mountain Home School District, Hagerman School District, and Bruneau-Grand View School District**

RMCS's Virtual Program Comparison Group is: all virtual schools in Idaho

RMCS's Virtual Alternative Program Comparison Group is: all alternative schools in Idaho

Richard McKenna Charter School
School-Wide
Operational Measures

OPERATIONAL MEASURES - BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The IPCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MEASURES - MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing; The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

Richard McKenna Charter School
School-Wide
Financial Measures

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Richard McKenna Charter School
K-12 On-Site Program
Academic Measures

1. MATH PROFICIENCY

Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. LITERACY PROFICIENCY

Literacy Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Literacy Proficiency Rubric	
Exceeds Standard	<p>One of the following is true:</p> <ul style="list-style-type: none"> • The school's proficiency rate on the spring administration of the statewide literacy assessment is greater than one standard deviation above the mean of the identified comparison group; • the school's proficiency rate on the spring administration of the statewide literacy assessment is at or above 90%; OR • The fall to spring change in proficiency rate is 20% or greater.
Meets Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment is equal to the mean or within one standard deviation above the mean of the identified comparison group; OR the school's fall to spring change in proficiency rate is between 10%-19%.</p>
Approaches Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment falls within one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The school's proficiency rate on the spring administration of the statewide literacy assessment is more than one standard deviation below the mean of the identified comparison group.</p>

6. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The IPCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR if the cohort size is smaller than 10 students the comparison group percentage will be disregarded and the minimum meets standard will be 75% of the current year graduation cohort.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group, OR if the cohort size is smaller than 10 students, the comparison group percentage will be disregarded and the school will be considered "approaching standard" if 50-74% of the school's cohort graduate.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group, OR if the cohort size is smaller than 10 students, the comparison group percentage will be disregarded and the school will be considered "not meeting standard" if less than 50% of the school's cohort graduate.

Richard McKenna Charter School
Virtual Program
Academic Measures

1. MATH PROFICIENCY

Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The IPCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

Richard McKenna Charter School
Virtual-Alternative Program
Academic Measures

1. MATH PROFICIENCY

Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The IPCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The IPCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

C&C Readiness Rubric	
Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR the school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

4. MATH CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative.

Idaho graduation requirements only require math to be taken in three of the four years of high school. Alternative schools structure this requirement differently. For the purposes of this measure, the total number of continuously enrolled students will exclude students enrolled in a grade for which the school does not require math to be taken.

Alt Proficiency Rubric – Math Content Mastery	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school’s percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school’s percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school’s percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school’s percentage in the previous year.

IDAPA 08.02.03.105 requires 6 credits of Math, including 2 in Algebra and 2 in Geometry. This section of rule also defines 1 credit as the equivalent of 60 hours of instruction or mastery as it is defined by the school's board policy if such exists. If the student is in grades 9, 10, or 11, and the student did not complete 2 credits in the most recently completed year, but has earned a total of 4 credits, the student shall be counted as having met this standard.

5. ELA CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative.

Alt Proficiency Rubric – ELA Content Mastery	
Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school’s percentage in the previous year, OR the percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school’s percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school’s percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school’s percentage in the previous year.

IDAPA 08.02.03.105 requires 8 credits of ELA. 1 of which must be communications/speech specific. This section of rule also defines 1 credit as the equivalent of 60 hours of instruction or mastery as it is defined by the school's board policy if such exists.

6. 9-12 PROGRESS TOWARD GRADUATION

Note: This measure will be considered in addition to the standard growth measure for schools classified as alternative.

For the purpose of this measure, a quarter of instructional enrollment will be calculated based on the number of instructional days reported and may be further modified by mutual agreement of the school and the IPCSC based on the alternative school's course completion structure.

Alt Growth Rubric – Progress Toward Graduation

Exceeds Standard	More than 75% of students enrolled in the alternative program earned 2 credits for each six-week instructional block for which the student was enrolled for 90% of the block.
Meets Standard	At least 65% of all students enrolled in the alternative program earned 2 credits for each six-week instructional block for which the student was enrolled for 90% of the block, OR the percentage of students enrolled in the alternative program who earned 2 credits for each six-week instructional block for which the student was enrolled for 90% of the days in that quarter is 5% or greater than in the previous year.
Approaches Standard	Less than 65% of students enrolled in the alternative program earned 2 credits for each six-week instructional block for which the student was enrolled for 90% of the block AND this percentage is between 3% and 5% greater than the previous year.
Does Not Meet Standard	Less than 65% of students enrolled in the alternative program earned 2 credits for each six-week instructional block for which the student was enrolled for 90% of the block AND this percentage is less than 3% greater than in the previous year.

7. COLLEGE AND CAREER READINESS – ADDITIONAL GRADUATES

Note: This measure will be considered in addition to the standard college and career readiness measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the IPCSC understand their school's academic outcomes.

C&C Readiness Rubric – Additional Graduates

Exceeds Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 75%.
Meets Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is below, but no more than 10% below the school's percentage in the previous year.
Does Not Meet Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% below the school's percentage in the previous year.

Appendix B: Conditions

Richard McKenna Charter School Renewal Conditions

Richard McKenna Charter school was renewed for a five-year operational term to begin on July 1, 2022 with the following conditions:

Condition 1: RMCS’s virtual and virtual alternative programs must meet standard on all academic measures of the performance framework incorporated into this performance certificate by 6/30/2024.

Condition 2: A minimum of 30% of the continuously-enrolled students at RMCS’s K-12 onsite school-program (the Montessori program and the Project-Based Learning High-School program) achieve proficiency on the statewide math assessment by June 30, 2024. This recommendation is based on the FY21 minimum proficiency rate necessary for RMCS to achieve a “meets standard” rating under the Commission’s Performance Framework.

Condition 3: A minimum of 45% of the continuously-enrolled students at RMCS’s K-12 onsite school-program (the Montessori program and the Project-Based Learning High-School program) achieve proficiency on the statewide ELA assessment by June 30, 2024. This recommendation is based on the FY21 minimum proficiency rate necessary for RMCS to achieve a “meets standard” rating under the Commission’s Performance Framework.

Condition 4: RMCS must successfully complete one of the following: (1) Achieve a proficiency rate on the spring administration of the statewide literacy assessment (currently the IRI) greater than or equal to the average proficiency rate of RMCS’s identified comparison group as stated in RMCS’s current performance certificate; or (2) RMCS must increase the percent of continuously-enrolled students who achieved proficiency on the statewide literacy assessment by a minimum of 10% between the fall and spring administrations of the assessment. This condition must be met by June 30, 2024. This condition is based on the proficiency rate necessary to meet standard on this measure.

Condition 5: RMCS’s onsite program achieves a 4-Year Adjusted Cohort Graduation Rate of at least 86% by June 30, 2024. This recommendation is based on the graduation rate necessary to meet standard on this measure in 2019 (the most recent available data).

Condition 6: RMCS’s negotiated performance certificate shall include a maximum enrollment number not to exceed 1200 students across grades K-12 and across all program offerings.

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This Performance Certificate (“Certificate”) is executed on **April 14, 2022**, by and between the Idaho Public Charter School Commission (the “Authorizer”) and **Syringa Mountain School, Inc.** (the “Charter Holder”) for the purpose of operating **Syringa Mountain School** (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Act of 1998, Idaho Code section 33-5201 *et seq.*, as amended (the “Charter Schools Act”).

RECITALS

WHEREAS, the **Charter Holder** is a non-profit entity incorporated with a board of directors; and

WHEREAS, **on August 15, 2013** the Authorizer conditionally approved the Charter Holder’s new charter school petition; and

WHEREAS, **on February 7, 2017**, the Authorizer conditionally renewed the School’s charter for a five-year term of operations to begin July 1, 2017 and end on June 30, 2022; and

WHEREAS, **on February 11, 2022**, the Authorizer conditionally renewed the School’s charter for a subsequent five-year term of operations to begin July 1, 2022 and end on June 30, 2027.

NOW THEREFORE in consideration of the foregoing recitals and the mutual understandings contained herein, the Authorizer and the **Charter Holder** agree as follows:

SECTION 1: TERMS OF AUTHORIZATION

- A. Establishment of School.** The Charter Holder is hereby authorized to implement at the School the program described in the Charter, attached to this Certificate as **Appendix C** and incorporated herein by this reference. Any significant changes to any section of the Charter, including the educational program, facilities plan, financial plan, or the management plan, during the School’s pre-operational period or first operational term shall be treated as an amendment in accordance with the Authorizer’s policy.
- B. Term of Agreement.** The School’s operational term shall be from July 1, **2022** and end on June 30, **2027**. Subsequent terms of operation may be issued by the Authorizer in accordance with Idaho Code and Authorizer policy.
- C. Renewal Conditions.** The School is conditionally approved to operate. Applicable conditions are attached as Appendix B and incorporated herein by this reference. If all renewal conditions have been completed to the satisfaction of the Authorizer by the stated due date, the School shall continue operations through the remainder of the current Certificate term. In the event that all renewal conditions have not been completed to the satisfaction of the Authorizer by the stated due date, the Authorizer will consider whether to exercise its authority to revoke the School’s Charter at its next regularly scheduled meeting.

SECTION 2: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows:
Syringa Mountain School provides a rigorous, arts-integrated educational experience as a public school guided by the core principles of Waldorf Education and aims to develop students who are compassionate, eco-literate, critical thinkers prepared to meet the demands of the world. **Grades Served.** The School may serve students in grades Kindergarten through 8.
- B. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- i. The School shall provide teacher looping, such that cohorts of students move through multiple grades together with the same classroom teacher. This shall be verified by classroom rosters.
 - ii. The School shall apply curriculum designed to be developmentally appropriate and therapeutic for students. This shall be verified by review of curriculum and lesson plans.
 - iii. The School shall implement a schedule organized to include main lesson, practice periods, and specialty subjects. This shall be verified by reviewing weekly and daily schedules.
 - iv. The School shall balance academic studies with artistic and social activities. This shall be verified by weekly teacher newsletters, curriculum and lesson plans.
 - v. The School shall foster strong parent involvement in the school, including provision of parent educational opportunities. This shall be verified by weekly teacher newsletters, board meeting minutes and parent council meetings, event notes and minutes, and parent volunteer opportunities.
 - vi. The School shall create a safe learning environment through a positive but firm disciplinary approach. This shall be verified by the school's handbook and classroom observation.
- C. Standardized Testing.** Students of the School shall be tested with the same standardized tests as other Idaho public school students.
- D. Accreditation.** As the School is not authorized to serve grades 9-12, accreditation is not required by rule, but may be maintained at the discretion of the Charter Holder. All reports issued to the School from the accrediting agency shall be submitted to the Authorizer within five days of receipt.

SECTION 3: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a non-profit board of directors (the "Board") incorporated by the Charter Holder. The Board shall serve as public agents authorized by the Authorizer, in a manner that is consistent with the terms of this Certificate, so long as such provisions are in accordance with state and federal laws, rules and regulations. The Board shall have final authority with respect to the School's operation, and shall have the responsibility of overseeing academic achievement, financial stability, and operational management of the School. The Charter Holder shall also be responsible for maintaining and enforcing a compliant Board and providing overall Board stewardship for the School.
- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the Charter

Holder shall provide for governance of the operation of the School as a nonprofit corporation and a public charter school, and shall at all times be consistent with all applicable laws, rules, regulations, and this Certificate. The Charter Holder shall notify the Authorizer of any modification to the articles of incorporation or bylaws within five business days of approval by the Charter Holder.

- C. **Charter Board Composition.** The composition of the Board shall at all times be determined by and consistent with the articles of incorporation and bylaws, and all applicable laws, rules, regulations, and policies. The Charter Holder shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five business days of it taking effect.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. **Oversight Allowing Autonomy.** The Authorizer’s role shall be to evaluate the School’s performance outcomes according to this Certificate and the Performance Framework, and shall be to provide compliance oversight. The Authorizer shall comply with the provisions of the Charter Schools Act and the terms of this Certificate in a manner that does not unduly inhibit the autonomy of the School.
- B. **Charter School Performance Framework.** The Charter School Performance Framework (“Performance Framework”) is attached and incorporated into this agreement as **Appendix A**. The Performance Framework shall be used to annually evaluate the School’s academic achievement, Board stewardship, operational management, and financial stability. The specific terms of the Performance Framework are determined by the Authorizer and shall be binding on the School.
- C. **Identified Comparison Group.** For purposes of evaluating the School against the metrics and measures established in the Performance Framework, the School’s comparison group shall be identified as described below and shall be established for the length of the Certificate term.
 - i. The School’s comparison group shall include all schools in the following school district: **Blaine County (061)**.
- D. **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. A formal report of the School’s academic, financial, and operational performance (“Performance Report”) shall be provided to the school and the public by the Authorizer annually. Data necessary to conduct this evaluation will be collected throughout the year. Additional reviews may be necessary if compliance concerns arise.
- E. **School Performance.** The School shall meet standard on all measures of the Performance Framework. The Authorizer shall renew any charter in which the School met all the terms of its Certificate, including all appendices, at the time of renewal.
- F. **Performance Framework as Basis for Renewal of Charter.** The School’s performance in relation to the Performance Framework, as reported in the annual Performance Report issued by the Authorizer to the Charter Holder, shall provide the basis upon which the Authorizer shall decide whether to renew the School’s Charter at the end of the Certificate term. The School’s Performance Framework includes mission-specific measures, agreed to by the School and the

Authorizer, and are incorporated in the Performance Framework.

- G. Required Reports.** The School shall prepare and submit reports as required by the Authorizer’s policy.
- H. Authorizer’s Right to Review.** The Authorizer maintains the right to request and review additional documentation if such becomes necessary in the course of regular oversight duties or to investigate the validity of a compliance concern. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- I. Site Visits.** The Authorizer may conduct site visits in accordance with the Authorizer’s policy. Reports from any site visit shall be made available to the School and shall be included in the School’s annual Performance Report.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Holder shall operate at all times in accordance with all federal and state laws, rules, regulations, local ordinances, and Authorizer policies applicable to public charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the School, across all programs, shall be 520.
- C. Equitable Enrollment Procedures.** 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 School than there are spaces available, the School shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
 - i. Calendar.** The School shall operate on a traditional nine-month calendar in which the last day of the regular term shall fall on or before June 30.
- D. School Facilities.** The School shall operate at the following location(s): 4021 Glenbrook Dr., Hailey, ID 83333. The School shall provide the Authorizer with facilities documentation, including occupancy permits, fire marshal reports, building inspection reports, and health department reports for any facility newly occupied by the School, and any remodeling or construction project for which such documentation is necessary in accordance with Authorizer policy and in accordance with law, rule, regulations, and authorizer policy.
- E. Attendance Area.** The School’s primary attendance area shall be used for the purposes of determining applicability of this enrollment preference category.
 - i.** The School’s primary attendance areas is as follows: Blaine County School District 61.
- F. Staff.** Instructional staff shall be certified as provided by rule of the State Board of Education. All full-time staff members of the School shall be covered by the Public Employee Retirement System of Idaho, 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 laws, rules, regulations, and financial reporting requirements, as well as the requirements contained in the School's Performance Framework.
- B. Financial Controls.** At all times, the Charter Holder shall ensure that the School maintains appropriate governance, managerial procedures, and financial controls, which 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, all in accordance with state and federal laws, rules, regulations, and Authorizer policy.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than November 1 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 or any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Relinquishment.** Should the Charter Holder choose to relinquish its Charter before the expiration of this Certificate, it may do so upon written notice to the Authorizer. In such a case, the Authorizer's closure protocol shall begin immediately following written notification.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one or more of the terms of its Certificate, including the Performance Framework. The Charter Holder may appeal a decision to non-renew directly to the State Board of Education.
- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet one or more of the renewal conditions, included in Appendix B, by the stated due date. The School's Charter may be revoked as provided by Idaho Code section 33-5209C. In such an event, the Authorizer shall consider whether to revoke the School's Charter at its next regularly scheduled meeting. The decision shall be made at that time. The Charter Holder may appeal a decision to revoke directly to the State Board of Education.
- D. Closure.** The Authorizer's closure protocol shall begin immediately after a decision to relinquish is made by the Charter Holder, or a decision to revoke or non-renew or is made by the Authorizer. Closure protocol shall begin regardless of whether the Charter Holder appeals the decision. In the event that closure protocol begins, the School shall cease operations no later than the following June 30. Closure protocol shall only cease if the State Board of Education overturns the Authorizer's decision.

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, partnership, 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. All amendments must be in writing and signed by the School and the Authorizer.

IN WITNESS WHEREOF, the Authorizer and the Charter Holder have executed this Performance Certificate to be effective **April 14, 2022.**

Chairman
Idaho Public Charter School Commission

Chairman
Syringa Mountain School, Inc. Governing Board

Appendix A: Performance Framework

Appendix B: Conditions

Appendix C: Charter

Appendix A: Performance Framework



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. Literacy Proficiency

1. MATH PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Math and ELA Proficiency Rubric	
Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or the school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric Math	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

4. ELA GROWTH

Growth Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Growth Rubric ELA	
Exceeds Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group, OR the school's growth rate is in the 90 th percentile of all Idaho public schools.
Meets Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group, OR the growth rate increased by at least 10% over the previous year.
Approaches Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.

5. LITERACY PROFICIENCY

Literacy Proficiency Rate: The PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Literacy Proficiency Rubric	
Exceeds Standard	<p>One of the following is true:</p> <ul style="list-style-type: none"> • The school's proficiency rate on the spring administration of the statewide literacy assessment is greater than one standard deviation above the mean of the identified comparison group; • the school's proficiency rate on the spring administration of the statewide literacy assessment is at or above 90%; OR • The fall to spring change in proficiency rate is 20% or greater.
Meets Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment is equal to the mean or within one standard deviation above the mean of the identified comparison group; OR the school's fall to spring change in proficiency rate is between 10%-19%.</p>
Approaches Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment falls within one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The school's proficiency rate on the spring administration of the statewide literacy assessment is more than one standard deviation below the mean of the identified comparison group.</p>

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Governance Structure Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Board Bylaws are compliant with ID law. Articles of Incorporation are current. No investigations were conducted into either ethical behavior or conflict of interest regarding any board director. The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Governance Oversight Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The board reviews academic data in a timely and thorough manner. The board reviews financial reports in a timely and thorough manner. The board maintains compliant policies. The board engages in strategic planning. The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Governance Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSC did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Student Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none"> • The school's English Language Learner program is in good standing; • The school's Special Education program is in good standing;The school's college and career readiness program is in good standing; and • The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Data Security and Information Transparency Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	The school's website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets). The school did not experience any issues involving data security this year. The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Facility and Building Services Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The school's occupancy certificate is current. The school maintains current safety inspections and drills. The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Operational Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Required reports are submitted accurately and on time. The school maintains a compliant enrollment process. No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Current Ratio Rubric	
Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Unrestricted Days Cash Rubric	
Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR between 30- and 60-days cash and one-year trend is positive. Note: Schools in their first or second year of operation must have a minimum of 30 days cash.
Approaches Standard	The school has between 15-30 days cash OR between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Default Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: Actual enrollment as of the first Friday in November (drawn from ISEE) divided by enrollment projections as submitted directly to the IPCSC in July.

Data Source: ISEE and direct school report

Enrollment Variance Rubric	
Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR the enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Total Margin and 3-Yr Aggregated Total Margin	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR the most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus

2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Cash Flow and Multi-Year Cash Flow	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
 (Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Debt Service Coverage Ratio Rubric

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR the school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Debt to Asset Ratio

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year., OR the school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0
Does Not Meet Standard	The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Financial Compliance Rubric	
Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year..
Meets Standard	Accounting Practices: finances are managed in compliance with GAAP. Financial Transparency: expenditures and contracts are posted on the school's site. Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR the school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

Appendix B: Conditions

Appendix B: Conditions of Renewal

1. Condition 1: SMS must successfully complete one of the following: (1) Achieve a proficiency rate on the spring administration of the statewide literacy assessment (currently the IRI) equal to or greater than the average proficiency rate of the Blaine County School District by June 30, 2023; or (2) SMS must increase the percent of continuously enrolled students who achieved proficiency on the statewide literacy assessment by at least 10% between the fall and spring administrations of the 2022-2023 school year. This condition must be met by June 30, 2023. This condition is based on the proficiency rate necessary to meet standard on this measure.

IV. DIRECTOR'S REPORT

APPLICABLE STATUTE, RULE, OR POLICY

NA

BACKGROUND

The IPCSC Director oversees the day-to-day management of the authorizing office. This agenda item provides opportunity for a brief report regarding actions taken and work in progress at the staff level.

DISCUSSION

Conditional Certificate Updates

McCall Community School has changed its name to Mountain Community School and will be opening this fall in yurts at the Tamarack Resort. Their pre-opening condition, which they were unable to meet in the prior two years, has been met. Mr. Dawson and Mr. Olson met with this group to discuss the financial and operational plan in depth. The school has a year one capacity of 115 students and 112 applicants.

Gem Prep Twin Falls met its pre-opening condition early. Evidence of facility financing and sufficient enrollment have been verified by IPCSC staff. The school's budget is stable and this condition is considered met.

Luma Transition

The State of Idaho is transitioning its financial and human resources software to a new system. The financial modules are preparing to launch in July of 22, and the HR modules in January of 23. IPCSC's financial workbooks are complete and HR workbooks are in final review.

Financial Oversight

Authorizer fees have been collected. Second quarter financial reports for schools have been fully reviewed. Recommendations to lift, maintain, or issue any notifications of fiscal concern will be presented in June. Schools are becoming accustomed to a more financially sophisticated approach, and while has been somewhat surprising for some school business managers, the relationships are building.

School Monitoring

ACVS has begun closure protocol. The school's board voted to pursue an appeal of the nonrenewal decision. They are also pursuing a potential arrangement with a nearby district that could provide a soft landing for teachers and students. The team has been cooperative and has made many changes since the hearing.

TVCS – Director Thompson met with a representative from the school's bond holder, Tortoise in early April.

Cardinal Academy – This school is struggling to maintain enrollment above 40 students. The school stated intent to pursue enrollment of students outside their target population of pregnant and parenting teens. As the petition approved by the

Commission describes an educational program designed to serve pregnant and parenting teens only, the charter would have to be amended if the school's intent is to serve a generalized at-risk student population going forward.

MMCS – This school has completed all of the corrective action plan tasks agreed. They are up for renewal next year. While we can confirm that the school has remained focused on outcomes, verification of improvement in academic performance will need to wait until summer.

Administrator Turn-Over – Jenielle Branen, Principal of Palouse Prairie and Mark Fisk, Principal of Bingham Academy have both announced their resignations at the end of the school year. Both are leaving on amicable terms. We wish them well.

FY23 Renewal Orientations

Initial orientation meetings have been scheduled with upcoming Renewal schools to ensure they understand their responsibilities and have written guidance in hand as they prepare for the next school year. Next year will see 17 renewal decisions. All orientations will be completed before end of the current school year.

Observations, Desk Audits, and Site Visits

This is the season of our work that requires Mr. Dawson and Ms. Rivera to travel for board meeting observations, lottery observations, and key design element site visits. Program Managers are also well into desk audits, which include review of school meeting minutes, policies, and transparency compliance. This work provides the raw data collection for the operational section performance reports.

Enrollment

Charter school enrollment is complicated. The procedures are outdated and there are inconsistencies in implementation across schools. Several school administrators have made requests for change and are willing to assist. Ms. Rivera has developed a great deal of expertise on the subject and has been a great resource for our schools.

Rulemaking

Director Thompson and Ms. Rivera will work with OSBE to review 08.02.04, Rules Governing Public Charter Schools, and 08.03.01, Rules of the Public Charter School Commission in preparation for the negotiated rulemaking process. Several items need to be addressed, including the enrollment procedures.

SPEAKER

IPCSC Director, Jenn Thompson

IMPACT

Information item only.

STAFF COMMENTS AND RECOMMENDATIONS

No comments or recommendations.

COMMISSION ACTION

No action.

Bill #	Status	Short Title	IPCSC Notes	Statement of Purpose	Fiscal Note	Sponsor
H0723	Vetoed	Enrollment based funding	keeps enrollment based funding in place until 2025 when a review of the funding formula is due anyway. Creates predictable revenue for schools and creates a committee to make final recommendations.	This bill codifies what has been a temporary rule, with a sunset on July 1, 2025. With the requirement of a review of the funding formula this bill authorizes the legislative council to appoint an interim committee to meet the requirement under Idaho Code 33-1026. An emergency clause to put this change into law upon passage and approval will replace the existing administrative temporary rule, while authorizing the State Board to promulgate rules similar to those that were in place for the past two school years.	The change from ADA to FTE-E will have an estimated increase \$23.8 million from the General Fund going forward. •Division of Administrators \$3 million •Division of Operations \$20.5 million •Division of Children's Program offset of \$.3 Million Contact: This estimate is based on historical support unit growth through the end of the fiscal year for mid-term support units. Included in the growth estimate are support units to fund mobility per §33-1004. The State Board of Education is requesting a supplemental appropriation of an estimated \$21.2 million to cover the FY2022, which has been operating under the enrollment model by temporary rule. There will also be a fiscal cost to the interim committee work to update the impacts on local education agencies, using the most current data and enrollment or Average Daily Attendance.	Clow
HB807	Law, effective 7/1/22	Approp, public schools, Add'l	FY23 - Funds enrollment vs. ADA. Enrollment based funding is more accurate for charter schools.	This is a FY 2023 trailer appropriation for the Public School Support Program and the Idaho Legislature. For Public Schools, the bill includes funding for counting students using enrollment instead of average daily attendance (ADA) as provided in H723. For the Idaho Legislature, the bill includes funding for an interim committee to study the current public school funding formula.	For Public Schools the bill includes \$23,500,000 from the General Fund to account for the increased number of estimated support units for the 2022-2023 school year. For the Legislature, the bill includes \$100,000 from the General Fund.	Tatro
H0716	Law effective 3/23/22 with a sunset of 6/30/27	Education, content standards	directs the SBE to adopt the new standards developed over the past few years via committee. All schools will have to adjust curriculum/instruction to align by 6/30/2024. Also requires 5 year review cycle of all curriculum standards. Pays for PD and assessment realignment. IPCSC framework would maintain alignment through any assessment adjustments.	This bill would establish a new section 33-118B and direct the Idaho State board of education to adopt and incorporate by reference into its administrative rules, the draft Idaho Content Standards for English Language, Arts, Mathematics and Science. These draft documents (dated July 13, 2021) were recommended by the Standards Review committees of 2020 and 2021. This new section further provides that school districts shall have until June 30, 2024 to adopt curricular materials pursuant to changes provided for in this bill or adopted through the subsequent negotiated administrative rule process. The state requires each content standard to be reviewed on a five-year cycle. The English Language Arts and Mathematics Content Standards were scheduled for 2021, while the Science Standards would be up for review in 2022.	It is expected that in compliance with Federal rules, the changes in these Content Standards will require a review of the changes for appropriate alignment with the Idaho State Assessment Tests. The cost of this review is estimated to not exceed \$125,000 for each of the three standards for a total of \$375,000 in Fiscal year 2023. Costs associated with professional development and training of educators should be covered by the expected return to pre-pandemic levels of professional development budgets, which were impacted by holdbacks and shifts from general funds to federal funding sources.	Clow
HG804	Law, effective 7/1/22	Approp, edu department, add'l	Funds revisio of content standards.	This is a FY 2023 trailer appropriation bill for the Department of Education. The bill provides onetime funding to the Department for the estimated costs of revising content standards with changes provided for in H716.	The fiscal impact of this bill is \$375,000 onetime from the General Fund. Provided funding is based on the fiscal note of H716.	Tatro
HB790	Law, effective 7/1/22	Literacy and Levies	Provides that literacy funding can be used to support optional all day K. Provides that half of the funding will be issued based on enrollment and the other half based on performance. Providing support for high performing programs aligns with charter sector philosophies	This legislation updates the Code regarding literacy programs. First, it removes any ambiguity and affirms that school districts have the resources to establish literacy programs to improve the literacy growth of our K-3rd grade students. Second, it updates the literacy funding formula to ensure that schools have baseline stability in funding while also incentivizing and rewarding those programs that achieve the greatest success. Additionally, this bill requires school districts to disclose the purposes and amounts of levy funds to be used within the school district. Such disclosure must be placed on the ballot above the question for supplemental levies. The disclosures shall identify the purposes for which the levies shall support.	There is currently \$26.1 million in the base budget for literacy; the Governor's budget recommendation proposes adding another \$46.6 million in ongoing literacy funding. This legislation would modify how these existing and proposed funds are distributed to school districts. This bill establishes the policy for how the literacy funds may be used to improve the growth of literacy by the end of 3rd grade.	Thayne, Crabtree, Kerby, Clow
H0656	Law, effective 7/1/22	Career Ladder	this bill will make it easier for schools to hire out of state educators by allowing them to be placed on the career ladder where they would land rather than at a lower level while they are transitioning their license to Idaho.	This legislation changes the method for how instructional and pupil service staff can be placed on the professional or advanced professional rung of the career ladder when they are first hired. Highly experienced staff hired from out-of-state, returning to teaching in Idaho, or administrators returning to teaching can be placed on the correct rung based on their experience and the career ladder's performance criteria. The career ladder is an allocation formula to the school districts, so this change ensures our schools are allocated the correct amount of funding to pay their staff.	This bill provides an additional appropriation of \$2,086,500, ongoing, from the General Fund to the Public Schools Educational Support Program's Division of Teachers for FY 2022 to recognize out-of-state teacher experience through placement on the career ladder.	Crabtree/Yamamoto
HB805	Law, effective 7/1/22	Approp, public schols, teachers, Add'l	Funds Career Ladder placement for out of state teachers	This is a trailer appropriation bill for the Public School Support Program for the Division of Teachers for FY 2023. The bill provides ongoing funding for the fiscal impacts of H656 that amends teacher placement on the Career Ladder based on experience outside of Idaho.	The fiscal impact of this bill is \$2,086,500 for FY 2023 from the General Fund.	Tatro

Bill #	Status	Short Title	IPSCS Notes	Statement of Purpose	Fiscal Note	Sponsor
H0443	Law, effective 7/1/22	Ed, Leadership Premiums, Insurance	Allows public schools to buy into state medical benefits. The benefits would/will serve teachers well, and would assist charters in providing a competitive whole package to new hires. However, several schools are concerned that it is moot because they can't afford the buy in anyway.	This proposal creates a dedicated fund for the purpose of funding the one-time amount required for public schools to buy in to the state's medical and dental group insurance plan. It establishes limits for the amount that can be allocated per school district, and how to handle situations in which the demand exceeds available funds. To offset an ongoing amount of funding for school health insurance, this bill also sunsets leadership premiums and removes references to it throughout code.	Creation of the Fund itself has no fiscal impact to the state. The legislature could, at its discretion, set aside an amount as part of the appropriations process to fund this account. No appropriation is expressly authorized in this bill. Sunsetting leadership premiums will eliminate \$19,718,100 in General Fund spending in FY 2023	Furniss, Kerby, Horman
H0654	Law, effective 7/1/22	School Counselors	This bill will make it easier for schools to hire counselors by honoring their professional certifications rather than requiring an additional educator certification.	This legislation creates a simple addition to allow Licensed Professional Counselors and Licensed Clinical Professional Counselors to be included within the legal definition of school counselors, provided they meet the requirements of the State Board of Education. This amendment will align the requirements for these professionals more closely with the requirements for licensed social workers, whom school districts and charter schools are currently permitted to hire as school counselors.	No impact to the general fund is expected. Under current Idaho law, school districts are funded for school counselors and other pupil service staff as 7.9% of a support unit. Funding for counselors and other pupil service staff is based on the state career ladder, with a minimum salary of \$40,742 effective July 1, 2022. This legislation will not change the amount allocated to charter schools or school districts for salary-based apportionment or change the formula for how districts are funded for pupil service staff members.	Marshall
SB1404	Law effective 3/23/22	Educator Bonuses	This bill provides funding and allocation language to distribute a one time \$1,000 bonus to eachfull-time equivalent (FTE) administrator, teacher, pupil service staff, and classified position.	This is a FY2022 Supplemental Appropriation for the Public School Support Program for the Divisions of Administrators, Teachers, and Operations. Funding allocations per school and staff type will be calculated by the Department of Education using the same data upload that was used when calculating the February 2022 payment to schools.	\$36,705,800	Lent, Amador, Tatro
SB1290	Law effective 7/1/22	Rural, Underserved Ed Program	great bill, but not particularly impactful for charters as very few can operate with under 200 students, so not a lot in small communities.	The purpose of this legislation would be to establish a rural educator incentive program for educators who work in high-need or rural school districts or charter schools. Unlike other programs that provide the same amount of funding or reimbursement over a fixed number of years, this program would provide a maximum amount of eligible funding that gradually increases for each year the educator stays in the high need school district or charter school up to the maximum number of years of eligibility. The funds could be used for education loan repayments, additional degrees, advanced degrees, or other educational costs	The fiscal impact would be based on the annual appropriation for the program	Ward-Engleking; Toone
SB1291aa	Law effective 7/1/22	Charter Schools, Certifications	This would allow school boards to declare an otherwise uncertified teacher as certified and would require the SBE to honor that for the time the teacher works at the school. This will work well for schools with strong boards and corporate backing (which provides training and the non-profits have a representative appointed to the school's board). It could be far less effective for boards that do not have strong practices or who choose not to engage in training.	This bill would allow charter schools flexibility to connect willing and capable adults in their communities to the students who need them by creating a charter school teaching certificate. Teachers must meet educational or professional requirements, and the charter school must agree to provide mentoring and professional development. A charter school certificate would not be transferable to traditional public school.	There is no additional cost to the general fund because work required to develop a new certificate would be borne by each charter school and paid for with existing funds. The state board of education already receives funding to issue teaching certificates.	Crabtree
HB798	Law, effective 3/25/22	Approp, edu, add'l	Use of classroom tech funds for teacher salary	This is a FY 2023 appropriation bill for the Public School Support Program. The bill provides clarification to the effective dates for the salary changes related to administrators and classified staff to clarify the new distribution amount is effective July 1, 2022, not upon signature of the Governor. This bill also clarifies some technology-related language for the Operations Division to distribute funds on learning management systems, not instructional management systems.	There is no fiscal impact to this bill.	Tatro

Bill #	Status	Short Title	IPSCS Notes	Statement of Purpose	Fiscal Note	Sponsor
SB1292	Law, effective 3/7/22	Arts Education (OSBE appropriation)	provides \$1M to SBE to grant to public schools for the provision of arts programs.	This is an FY2022 supplemental appropriation bill for the Office of the State Board of Education and provides for a total increase of \$1,057,800. This supplemental includes three separate actions taken by the Joint Finance Appropriations Committee included in the table below. The supplemental for office space for new employees included \$7,800 from the General Fund to occupy space in the Capitol Mall for employees of the Office of the State Board of Education. The supplemental for Arts in Public Schools includes \$1,000,000 from the General Fund to provide one-time grant funding to public elementary, middle, and high schools. Grants will be provided to expand fine arts, performing arts, and design courses and will be administered in collaboration with the Idaho Commission for the Arts. Finally, the supplemental for Idaho Cattle Foundation Funds includes \$50,000 from dedicated funds to make grants for agricultural research and education programs pursuant to Section 25-1174, Idaho Code.	1m arts grants	Lent
H0731	Law effective 7/1/22	Dyslexia interventions	This legislation spells out requirements to screen students for dyslexia identification and for professional development of educational staff.	Twenty (20) percent of children have dyslexia creating unique challenges for both the students and the educational staff who teach reading and literacy skills. It is vital to identify dyslexia as early as possible in a child's school years through testing and proper literacy teaching methods.	The Fiscal impact is expected to be \$97,000 This will fund one (1) FTE in the State Department of Education to implement of the provisions of this legislation for regular public schools and public charter schools, including providing information and resources for dyslexia screening and intervention strategies, technical assistance, and identifying for educators high-quality professional development.	Crabtree, Blair, Boyle
SCR115	Adopted	Education, Civics Standards	pulls the civis standards out of all the places they are currently embedded to create a single location for public transparency only. No changes to content.	Civic engagement is essential to our nation's form of government. Civic education gives young people the knowledge and background to be engaged citizens who are more likely to vote and participate in civic activities. In recent years, many states including Utah, Georgia and Florida have strengthened their states' civics standards and requirements. Idaho's civics standards are currently embedded in the state's social studies standards. Separating and enhancing the standards, will highlight the importance of civic education and what we want students to know and be able to do with that education.	This resolution has no fiscal impact to the General Fund. The State Department of Education will be facilitating a review of Social Studies standards this year according to the traditional cycle for review of content standards. The creation of stand-alone civics standards will be conducted as part of this process.	Patrick, Ybarra
SB1319	Law effective 3/23/22	Relating to Ed: Contracts for Transportation Service	Provides access to funding for the purchase of electric buses. There is controversy over whether "district" includes "charter LEA" in this bill. Depending on interpretation, this may or may not be available to charter schools.	The bipartisan Federal Infrastructure Investment and Jobs Act of 2021 appropriates \$5 billion between fiscal years 2022 and 2026 to fund the purchase of flow-or-zero-emissions school buses. This funding will be available as grants and rebates to assist fleets in purchasing new, cleaner school buses and the associated charging and fueling infrastructure. One requirement of the act is that school buses purchased with this funding be operated as part of the school fleet for which the award was made for not less than five years. Idaho Code § 33-1510 limits contracts for school bus services to no longer than five years. This legislation creates an exception for school buses purchased and operated by transportation service company with funds from the Federal Infrastructure Investment and Jobs Act of 2021 to exceed five years.	Fiscal Note This legislation will have no impact on the state's General fund or any other funds because this proposal only provides contracting flexibility to comply with the Federal Infrastructure Investment and Jobs Act of 2021.	DenHartog; Nelson
SB1238	Law 7/1/22	self directed learners	This is not likely to be used much because it would be complicated to manage. However, if it is used in charters, we may need to consider how to handle the concept that charters cannot run enterprises other than what their charter authorizes, and no charters currently allow for this kind of flexibility. We'd have to amend to provide for it, but I'm not sure what that might look like. Probably best to wait and see if any schools decide to use it and cross the bridge when we need to.	This legislation sets up a structure where a greater degree of innovation can occur between teachers, students, and parents by focusing upon learning rather than seat time. Students that demonstrate they are self-directed learners can qualify for added flexibility.	There is no fiscal impact to the state general fund nor an impact upon local school district budgets.	Thayne

V. STRATEGIC PLAN

A. FY22 Strategic Plan

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §67-1901 – Agency Planning and Reporting

Idaho Code §67-1903 – Performance Measures

BACKGROUND

Idaho Code requires each state agency to maintain a five-year strategic plan and to submit a progress report to the Division of Financial Management (DFM) each year.

The purpose of strategic planning is to:

- improve state agency accountability to state citizens and lawmakers;
- increase the ability of the legislature to assess and oversee agency performance;
- assist lawmakers with policy and budget decisions;
- and increase the ability of state agencies to improve agency management and service delivery and assess program effectiveness

The DFM publishes a format for strategic plans and progress reports. Each agency is required to engage in strategic planning annually for the purpose of reviewing performance and revising the long-term plan.

As the IPCSC is an agency under the State Board of Education (SBE), strategic planning reports and revisions to the plan must be submitted to the SBE for initial approval in June in preparation for final submission to DFM in August.

The SBE's FY23 plan is included for reference.

DISCUSSION

The IPCSC established an initial strategic plan in June of 2021. Each goal and objective included in the plan is driven by statutory requirements of the IPCSC.

The agency's progress toward each objective is measured by an identified tool (measure), such as meeting minutes, data sets, or reports. For each measure, the plan establishes a target and presents the results achieved in FY22.

Financial notes are encouraged to assist the DFM with identifying the connections between the strategic plan and the agency's budget requests which are submitted at the same time.

The IPCSC's strategic plan includes a staffing growth plan through FY26.

Agency strategic plans are five-year rolling plans. Revisions are expected and results are intended to be used to inform continuous improvement.

Revisions to the plan are noted in the materials in red text and include:

1. combining objective 1.3 with objective 2.3, as both address the provision of resources, training, and support;

2. identifying more specifically the tools used in measures 1.1.1 and 1.1.2, specifically noting the petition evaluation report and the role of final orders in the renewal process;
3. moving measure 1.3.2 to 2.2.2, as the annual stakeholder survey fits better under communication than outreach;
4. combining the original measure 2.2.2 with 2.2.1, as the newsletter and social media are similar outreach efforts; and
5. removing measure 2.3.1, as this tool was determined to be an ineffective measure.

SPEAKER

Jenn Thompson, IPCSC Director

IMPACT

The Commission must accept the Director's report of FY22 progress on strategic planning goals before staff can complete the agency's FY22 performance report for submission to the SBE and the DFM.

The strategic plan itself will be updated to reflect any revisions the Commission identifies. Staff will then proceed with finalizing the submission to the SBE and the DFM.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Commission accept the Director's report of FY22 progress on strategic planning goals and approve the proposed adjustments to the agency's strategic plan as presented.

COMMISSION ACTION

A motion to accept the Director's report of FY22 progress on strategic planning goals and to approve the proposed adjustments to the agency's strategic plan as presented;

OR

A motion to accept the Director's report of FY22 progress on strategic planning goals and to approve the proposed adjustments to the agency's strategic plan with the following changes: [state changes];

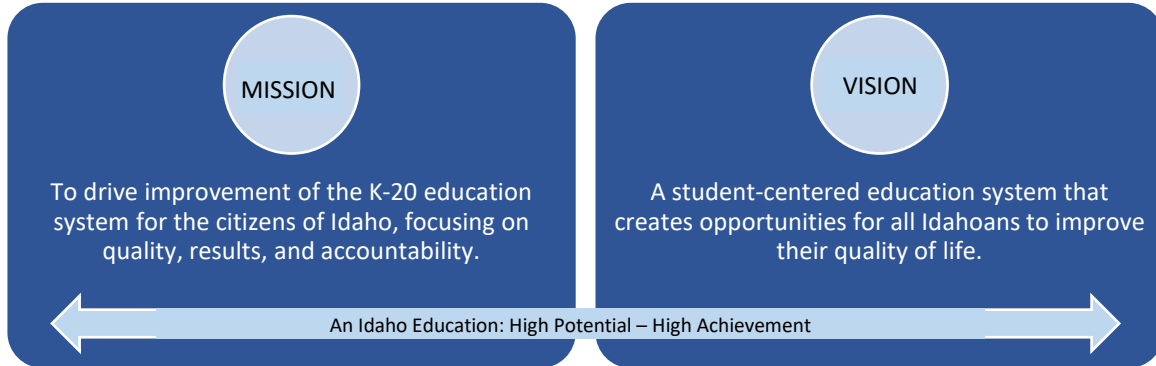
OR

A motion to reject the Director's report of FY22 progress on strategic planning goals and to deny the proposed adjustments to the agency's strategic plan as presented.



FY2023-2028

Idaho K-20 Public Education - Strategic Plan



GOAL 1: EDUCATIONAL SYSTEM ALIGNMENT –

Ensure that all components of the educational system are integrated and coordinated to maximize opportunities for all students.

- **Objective A: Data Access and Transparency** - Support data-informed decision-making and transparency through analysis and accessibility of our public K-20 educational system.
- **Objective B: Alignment and Coordination** – Ensure the articulation and transfer of students throughout the education pipeline (secondary school, technical training, postsecondary, etc.).

GOAL 2: EDUCATIONAL READINESS –

Provide a rigorous, uniform, and thorough education that empowers students to be lifelong learners and prepares all students to fully participate in their community and postsecondary and work force opportunities by assuring they are ready to learn at the next educational level.

- **Objective A: Rigorous Education** – Deliver rigorous programs that challenge and prepare students to transition through each level of the educational system.
- **Objective B: School Readiness** – Explore opportunities to enhance school readiness

GOAL 3: EDUCATIONAL ATTAINMENT –

Idaho’s public colleges and universities will award enough degrees and certificates to meet the education and forecasted workforce needs of Idaho residents necessary to survive and thrive in the changing economy.

- **Objective A: Higher Level of Educational Attainment** – Increase completion of certificates and degrees through Idaho’s educational system.
- **Objective B: Timely Degree Completion** – Close the achievement gap, boost graduation rates and increase on-time degree completion through implementation of the Game Changers (structured schedules, math pathways, co-requisite support).
- **Objective C: Access** - Increase access to Idaho’s robust educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.

GOAL 4: WORKFORCE READINESS -

The educational system will provide an individualized environment that facilitates the creation of practical and theoretical knowledge leading to college and career readiness.

- **Objective A: Workforce Alignment** – Prepare students to efficiently and effectively enter and succeed in the workforce.
- **Objective B: Medical Education** – Deliver relevant education that meets the health care needs of Idaho and the region.

IPCSC Stakeholder Survey

33 responses

Please indicate your stakeholder role:

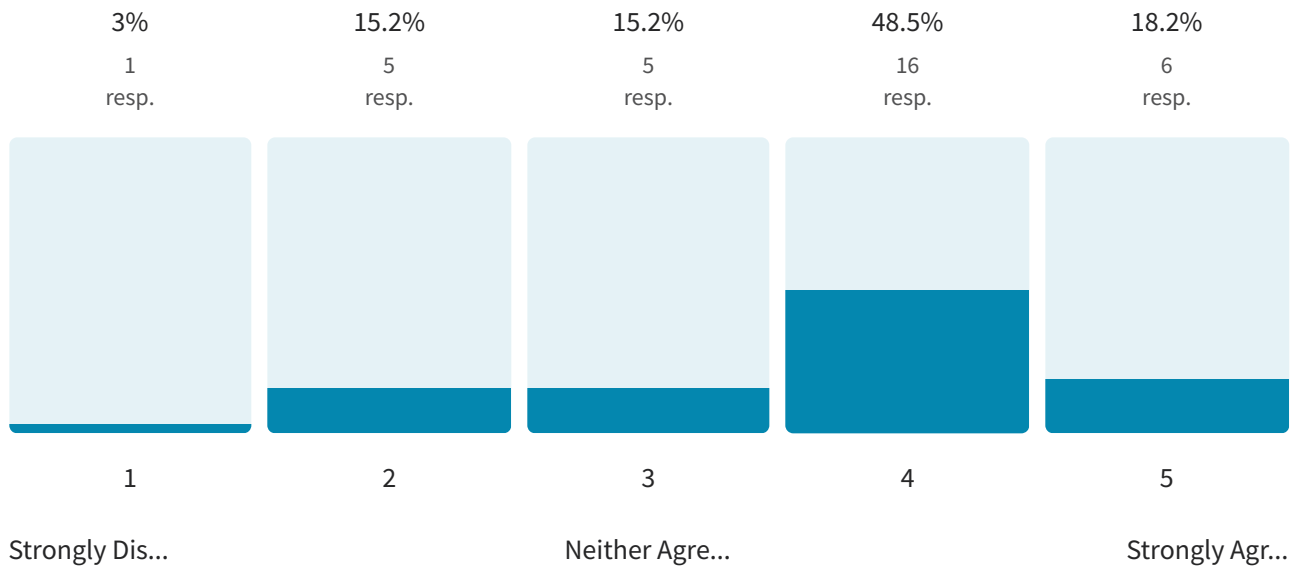
33 out of 33 answered



The IPCSC's mission is to cultivate exemplary charter schools. Achieving this mission is realistic in light of the agency's size and resources.

33 out of 33 answered

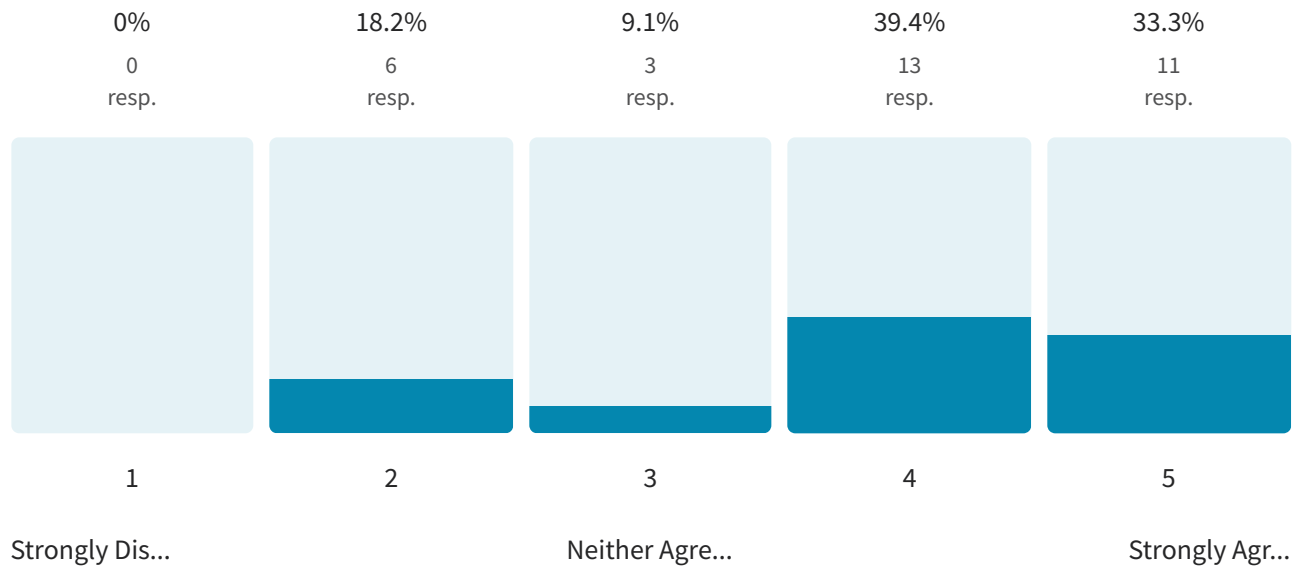
3.6 Average rating



The decisions made by the IPCSC's governing body (the commission) demonstrate an understanding that the agency serves the public.

33 out of 33 answered

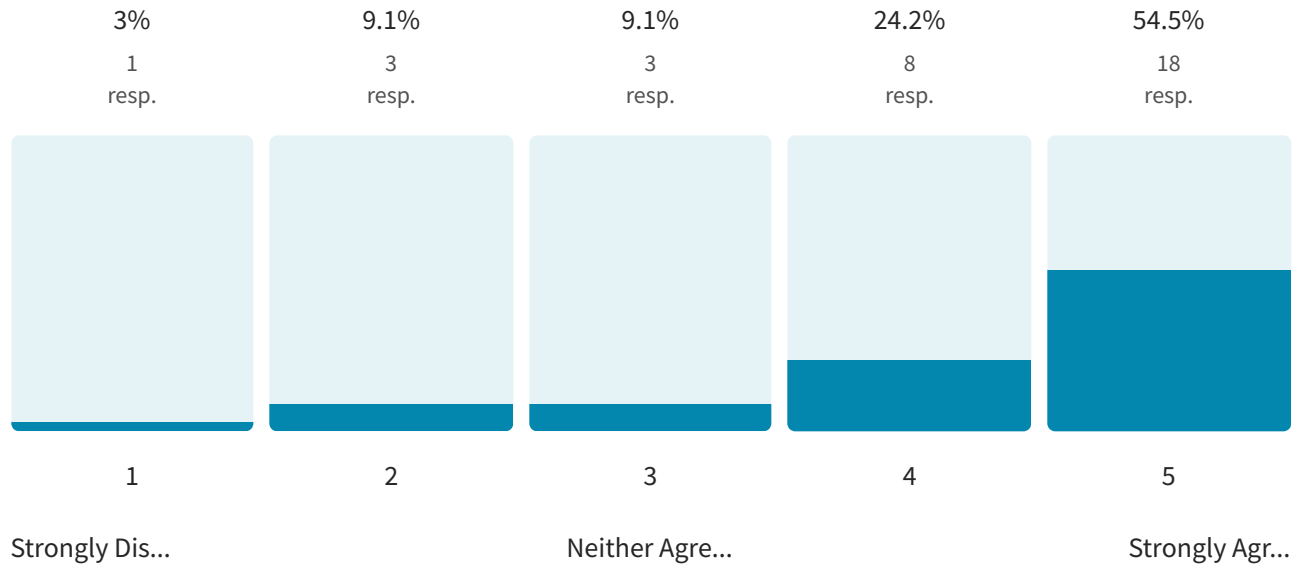
3.9 Average rating



The IPCSC protects each school's autonomy to make decisions at the school board level.

33 out of 33 answered

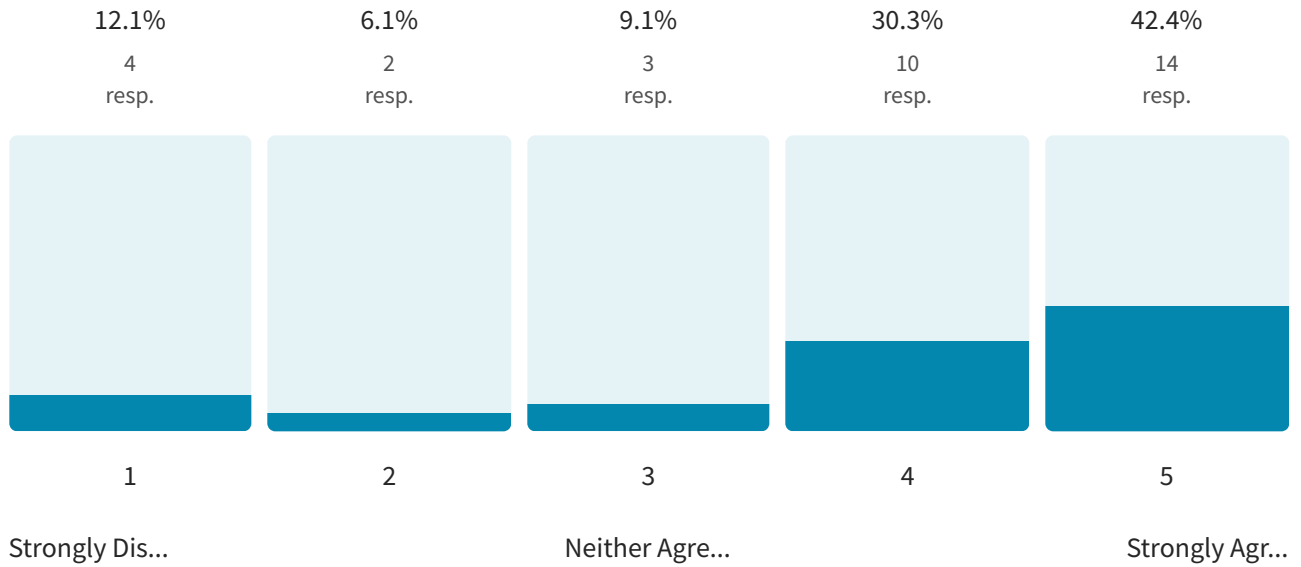
4.2 Average rating



The IPCSC holds each school accountable to the terms and metrics of the school's performance certificate.

33 out of 33 answered

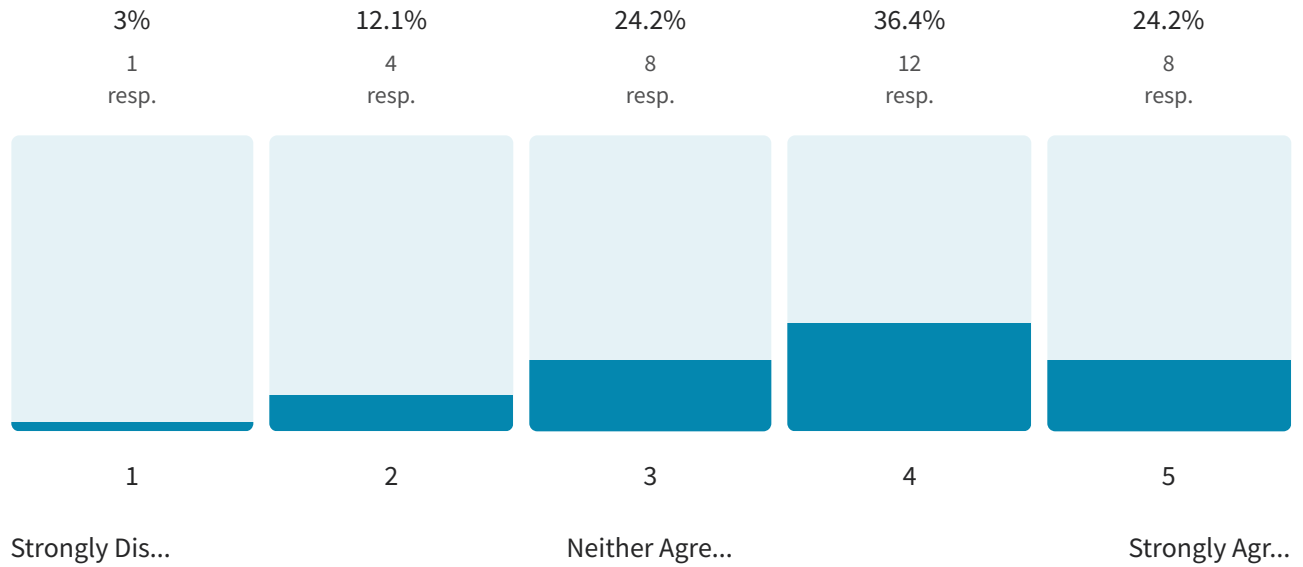
3.8 Average rating



The IPCSC's policies are clear.

33 out of 33 answered

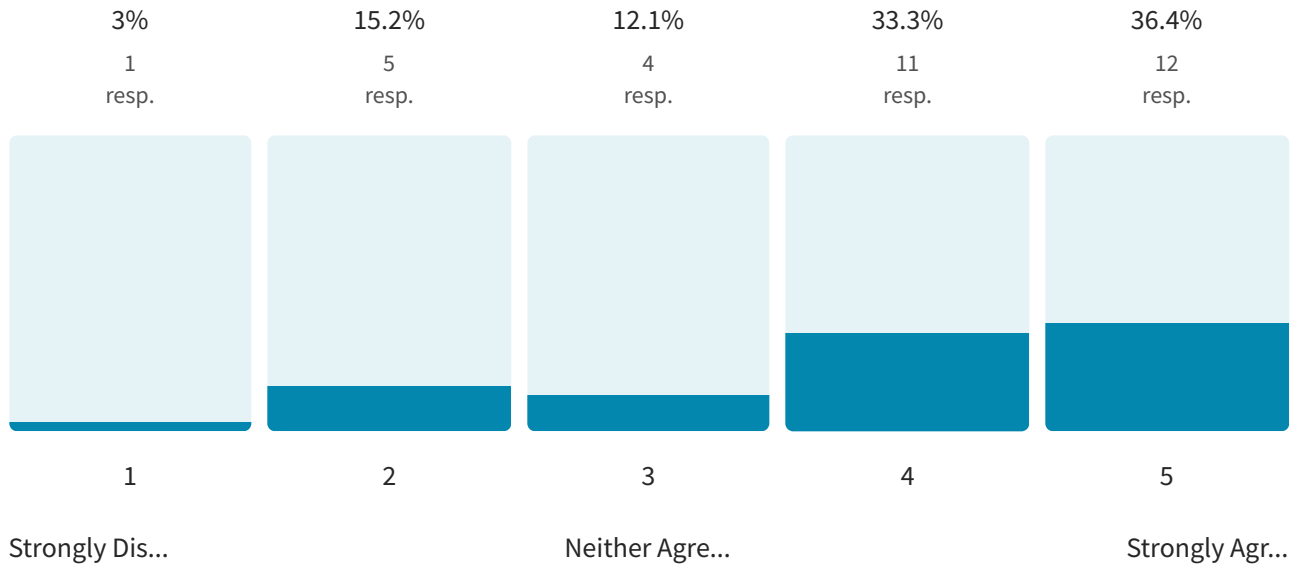
3.7 Average rating



The IPCSC's expectations for school performance are clear.

33 out of 33 answered

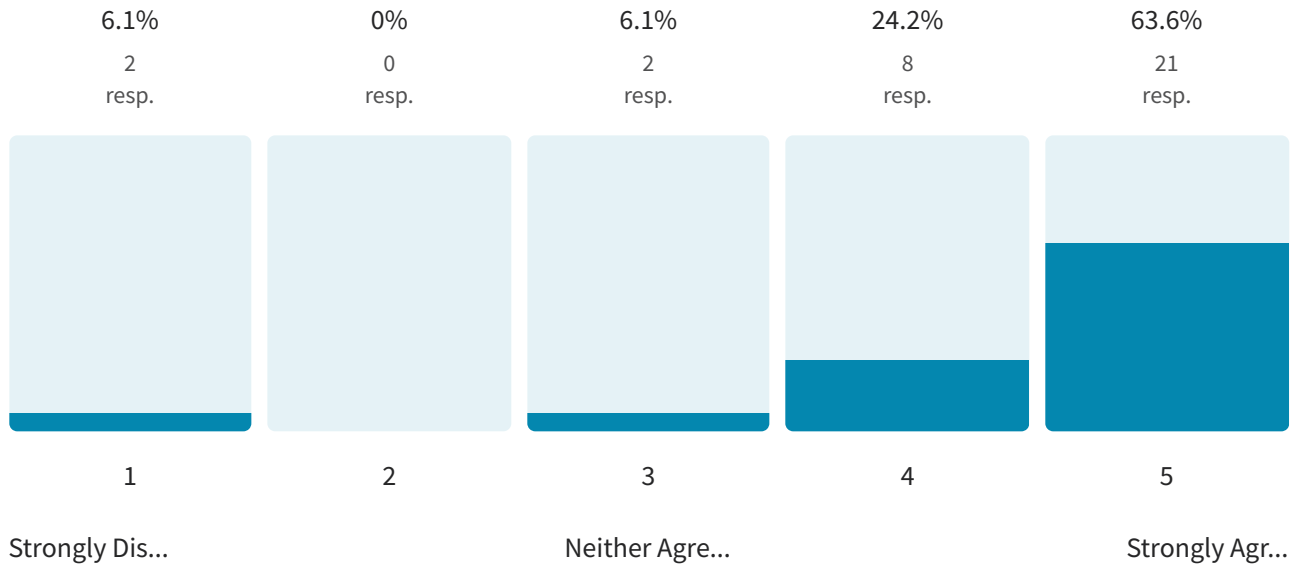
3.8 Average rating



IPCSC staff are approachable and helpful.

33 out of 33 answered

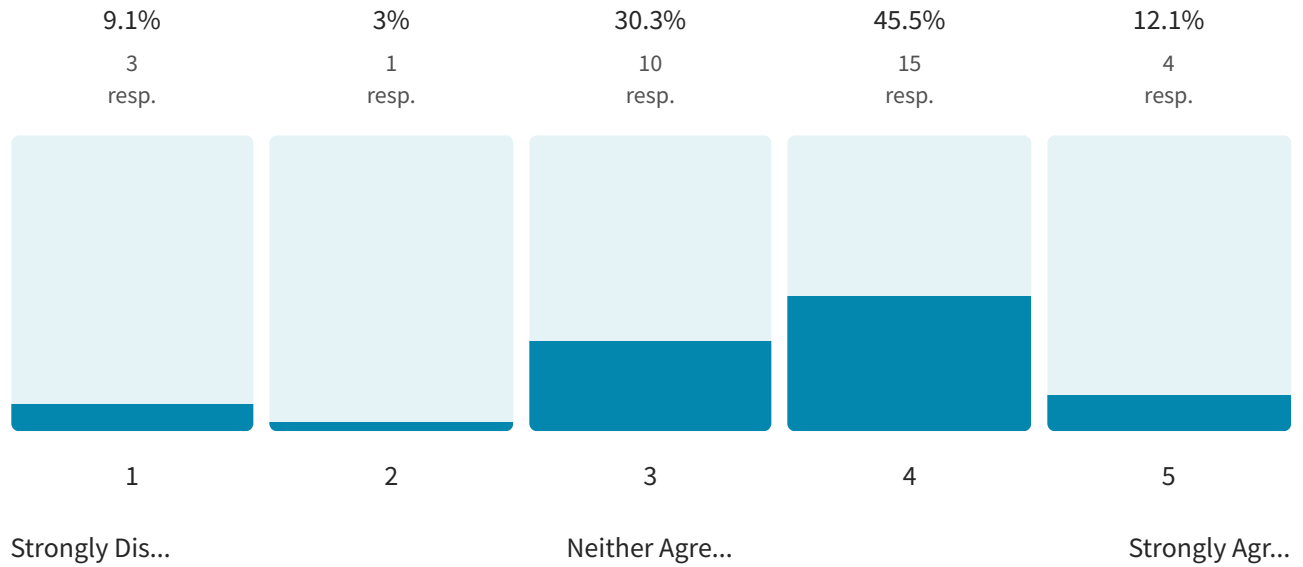
4.4 Average rating



Stakeholders have sufficient opportunity to provide feedback on matters of agency planning.

33 out of 33 answered

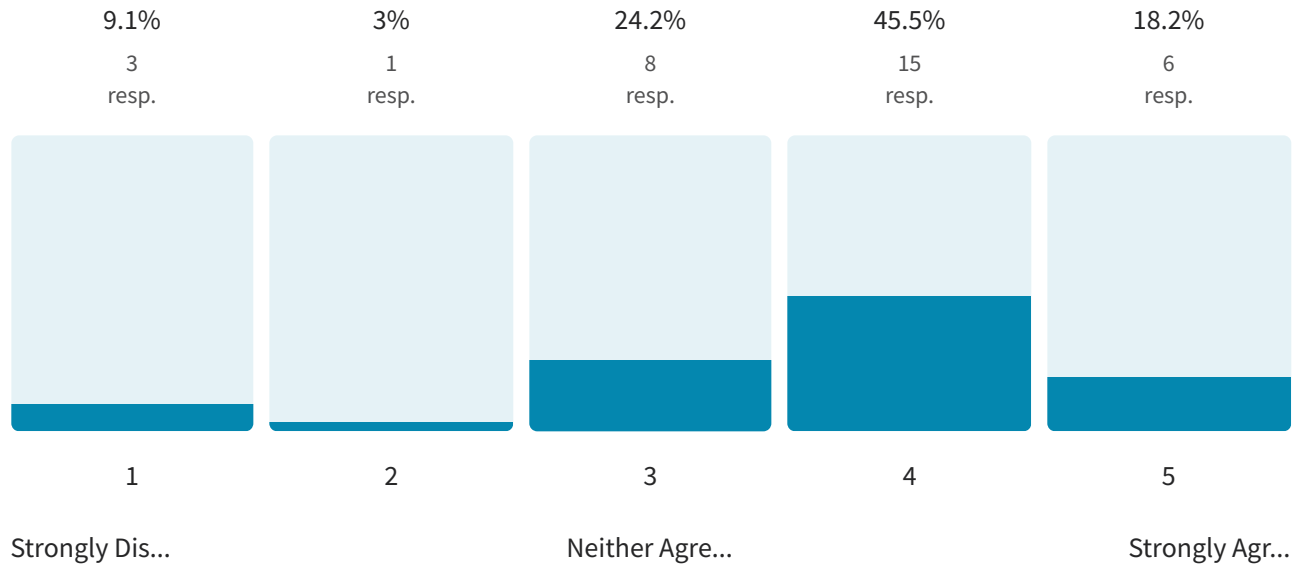
3.5 Average rating



The IPCSC delivers valuable services and resources to schools.

33 out of 33 answered

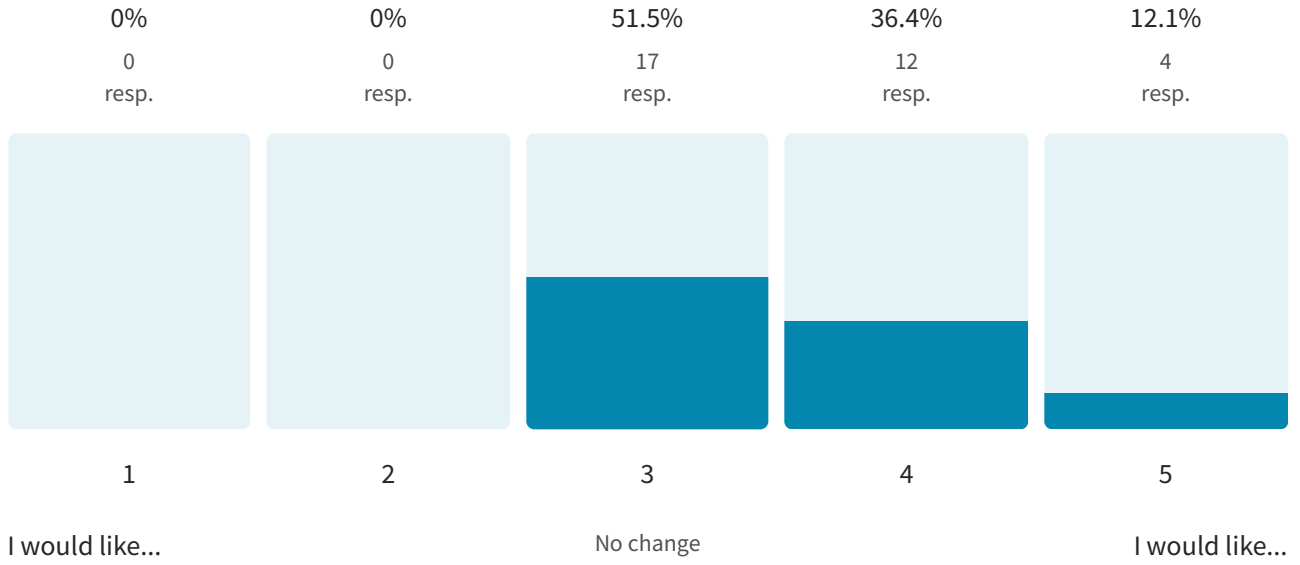
3.6 Average rating



Regarding opportunity to communicate with the IPCSC:

33 out of 33 answered

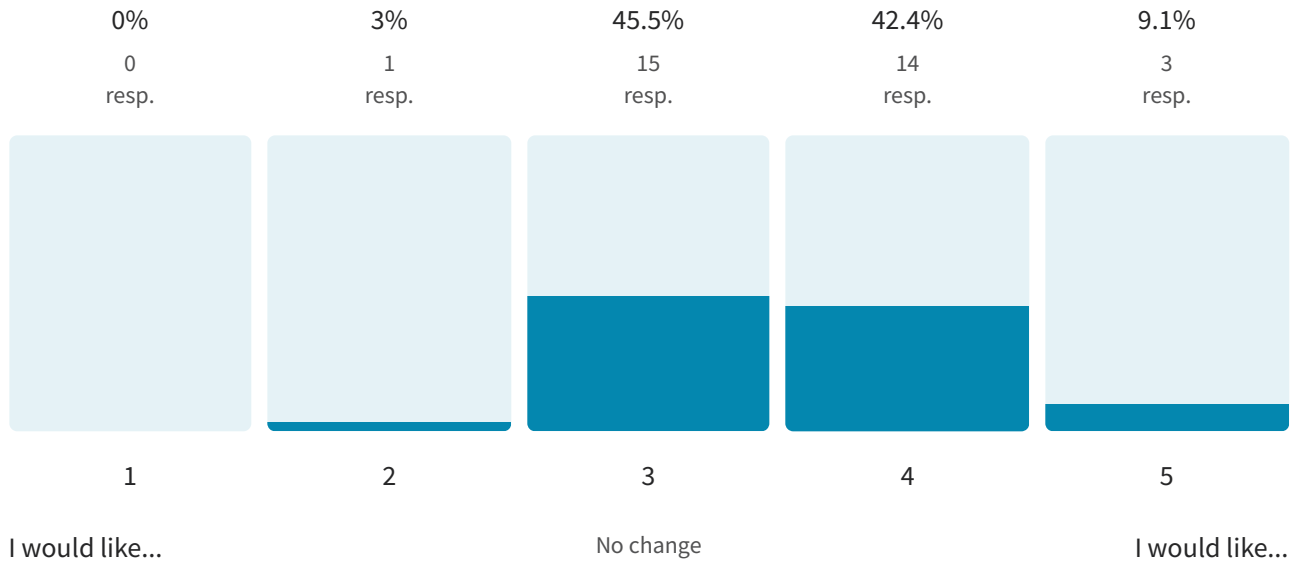
3.6 Average rating



Regarding communication received from the IPCSC:

33 out of 33 answered

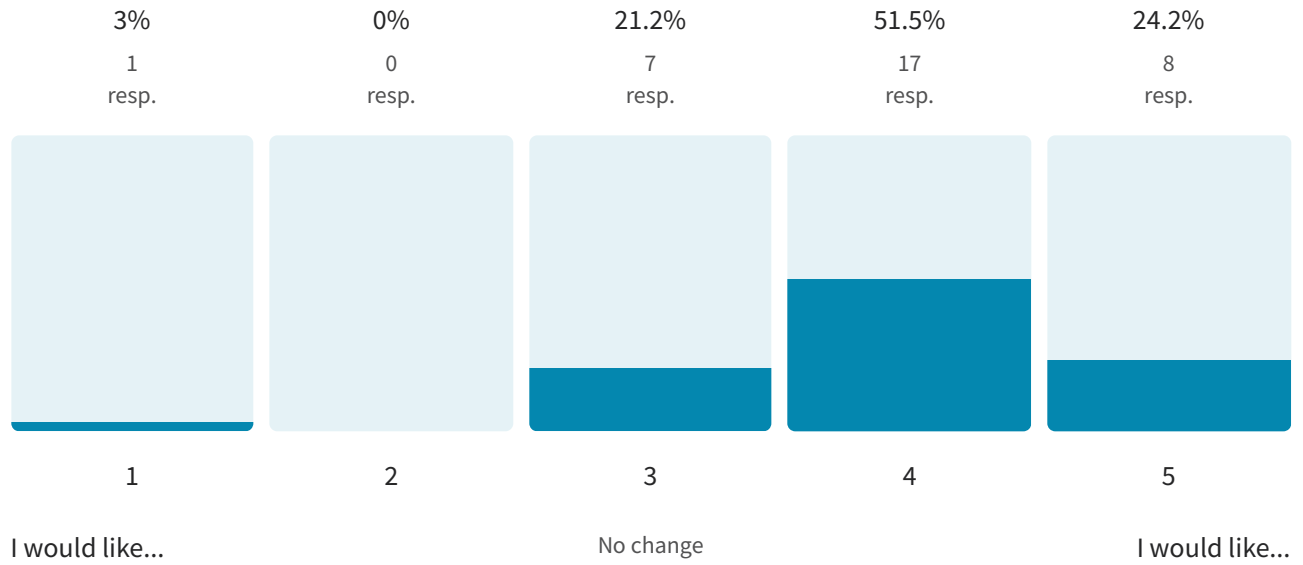
3.6 Average rating



Regarding opportunity to network with other IPCSC schools:

33 out of 33 answered

3.9 Average rating



Please list any additional resources you'd like to see the IPCSC provide.

There has been much change and transition the past few years in IPCSC procedures/policies. In addition to the work that is still be being done to adjust things in procedure/website, etc it may be helpful to existing Charter Board members to see an brief overview of those changes so they understand the context of the new Framework and changes in petitions, renewals and charter revisions. It has been hard for some to keep track of and helpful to Administrators to keep them informed and understanding the processes on a bigger picture. Most of these changes over past 3 years are positive considering the past approach and context so that is important for understanding. There are still areas that feel burdensome at times (mostly like due to existing Idaho code) in comparison to the requirements of traditional schools but it has come along way.

I don't think the IPCSC should spend time focusing on providing resources. Most of what you end up creating is already available from the ISBA, SDE, IASA or other sources. The things that Jenn, Mel and Jared could focus on related to policy, the renewal process, creating accurate framework measures, etc. are things that those other organizations don't do or can't do.

More clarity as to how performance groups are selected for academic comparison.

I don't know much about the IPCSC.

The commission staff should continue to take on more support services roles and help unify the schools again. Since the Idaho Charter School Network was neutered and BLUUM is a lobbying/legislative organization, there has been little assistance to most of the charter schools. The first move I would make is to get Susanne Metzgar on the team unless there is some bad blood there.

Resources to address attendance issues and truancy.

Hosting an additional "Bootcamp" for new schools in years 1,2, or 3 to review state expectations and procedures.

Years ago when we started (2005) the IPCSC was not approachable and it wasn't clear to me what their role was. Oversight? Assistance?? But those roles are better defined as a blend now which is very helpful. I am not certain what resources the Commission provides to schools. My lack of clarity on this subject is why I rated the last question as "Neither Agree/Disagree". It seems that whatever those resources may be, charter leaders could use a simple refresher on them.

Is there anything you think ought to be high priority for the IPCSC's continued improvement?

Again, there have been many improvements over the last couple of years. Possibly transmitting information or explanations in webinars if possible.

More of anything Jenn is doing - she is amazing!

More personal interaction between leadership, and between leadership and the Commission staff. One or two small one-day conferences where attendance has been incentivized would be great. There really is no professional network at the moment.

To make the focus on helping and less on judging. Holding people accountable is fine - but you need to be able to provide support when problems arise. Currently, the IPCSC is the last place you want to go if a problem arises because you will never be able to outgrow the stigma that comes from reaching out for help.

Increased collaboration opportunities with other Charter Schools in Idaho.

Providing service/assistance to schools for improvement

Funding for charter school facilities is huge. I don't see the IPCSC as a political organization but the biggest hurdle for charter schools is funding. I believe all bond levies should include a percentage for charter schools in their boundaries. The percentage would be based on the number of students attending the charter school that live within the boundaries of the school receiving property tax funds. If the IPCSC has any opportunity to beat that drum- it is my biggest challenge as a board member for two Idaho public charter schools.

No

I really appreciate everything the Commission staff and board have done over the past couple of years to increase communication, build trust, and establish a rapport with charter school leaders. I think the next phase for the Commission is to put more teeth into holding schools accountable for persistent underperformance.

Please provide any additional feedback you'd like to share.

Continued streamlining of reviews and data with other accountability agencies like SDE, BOE, Federal Program and Cognia is very much needed for quality reviews. There is much redundancy in places (especially the Legislative mandated items thru BOE) still but has improved. Additionally, if we are now using ISEE for academic data review, the ISEE should be working with schools and PCSC staff to have data validation reports for this data like they for attendance and finance. There are SO MANY caveats to formulas, this is very much needed so there is transparency on all sides and all parties understand data constraints and context.

The transformation that has occurred under Jenn's leadership is impressive and very positive. I appreciate her dedication to using accurate data in meaningful and appropriate ways. I wish that the actual commissioners that have demonstrated unethical or careless behavior would resign and move on so that the cloud of past mismanagement and illegal activity could be completely removed from the IPCSC.

Thank you for the continued support and resources!

Now that Erik Olsen has joined, perhaps a review of the performance certificate financial section would be beneficial. There are a couple of questions that I am still unclear on why they are on there. Director Thomspson has done a fantastic job. I will give her a 5+ on what she has been able to accomplish since she took the leadership role. Thanks and keep moving forward.

Great presentations at ISBA!

NA

Overall, I think the Commission staff and board have done tremendous work to reduce the hostility around the Commission's work several years ago. I think this stabilizing work was a necessary and wise approach. I think it is time now to ensure that all schools are living up to expectations as outlined in their charters and performance certificates.



Strategic Plan 2021-2025

Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

Part I. Agency Overview

1. Agency overview

The Idaho Public Charter School Commission (IPCSC) is Idaho's state-level charter school authorizing entity. The IPCSC is made up of 7 appointed commissioners who serve as the governing body and 5 employees who execute the day-to-day work. The IPCSC maintains a chair and vice chair as well as three standing committees: finance, new petitions, and renewals. IPCSC currently occupies 1095 square feet in the Borah Building, Suite 241.

Because charter schools are not managed by a district office, the authorizer's role is to ensure that the operations, financial health, and academic outcomes of a charter school justify the school's use of public funds. At its core, the IPCSC is a risk-management team that serves a variety of stakeholders, including students, taxpayers, policy makers, school boards, and school administrators.

Mission: The IPCSC's mission is to cultivate exemplary public charter schools.

Vision - The IPCSC envisions that living our mission will result in:

- Quality - Idaho families have exemplary charter school options.
- Autonomy - Charter schools design and implement unique educational programs.
- Accountability - Charter schools meet standards defined in the performance framework.
- Compliance - Charter schools operate in compliance with laws, rules, and regulations.
- Advocacy - The IPCSC advocates for student and public interests.

Values – The IPCSC values the following approach to executing our work:

- Professionalism – The IPCSC acts with respect and decorum.
- Efficiency – The IPCSC provides service with efficiency.
- Credibility – The IPCSC is a source of accurate information.
- Integrity – The IPCSC makes data-driven decisions that serve its mission and vision.
- Communication – the IPCSC communicates with and listens to stakeholders.

2. Core functions

The IPCSC is established by Idaho Code 33-5213 for the purpose of administering and enforcing the provisions of Chapter 52, Idaho Code. More specifically, the IPCSC is tasked with making approval and renewal decisions for the schools in its portfolio. In between those decision points, the IPCSC staff is tasked with day-to-day oversight of charter schools, including compliance and performance monitoring.

When a new charter school petition is determined likely to be successful and the IPCSC approves the school to operate, a performance certificate that outlines the terms and conditions under which the school is allowed to operate for the next five years is executed. At the end of the five (5) year term, the school applies for a renewal of that contract, and the IPCSC reviews the school's performance outcomes to determine whether a next five (5) year term is warranted.

The oversight work across each school's operational term is reported in a performance report each year. These reports inform IPCSC renewal decisions.

3. Fiscal Year Review

The IPCSC began operating as an independent state agency on July 1, 2021. Only one year of financial data is available for the FY22 progress report.

Approximately 28% of the IPCSC's FY22 budget was appropriated through the general fund. The remaining 72% was appropriated through the agency's dedicated fund. The dedicated fund, or Authorizer's Fund, is established in Idaho Code, 33-5214. Each school authorized by the IPCSC pays an authorizer fee as defined in Idaho Code, 33-5208(8). Fees are collected in March for the purpose of funding the next fiscal year's dedicated fund appropriation.

Unexpended and unencumbered dollars in the authorizer's fund are re-appropriated to the agency each year to provide for unexpected costs such as appeals of Commission decisions or school closures.

[INSERT YEAR END BUDGET SUMMARY HERE]

4. Profile of cases managed/ services provided

The IPCSC's portfolio currently consists of 57-63 Charter School LEA's, running 63-69 unique academic programs. In FY21, these schools served approximately 29,000 students. As Idaho's charter school law allows for rolling applications, the number of schools served by the agency continues to grow.

The following services are among those provided by the IPCSC:

- 12-week cycle of research, interviews, and reports for each new charter school petition received;
- In-depth analysis/report for each academic program based on statewide assessment data each year;
- Board meeting observations and feedback for each school at least once per term;
- Enrollment lottery observations and feedback for each school at least once per term;
- Site visits to determine fidelity of key design element implementation as necessary;
- Quarterly review of financial data for each school;
- Annual compliance desk audit of school operations, including policies, expert reports, etc.;
- Evaluation of complaints/concerns and management of any resulting investigations or interventions;
- A 16-week cycle for renewal application processing once every five years for each school;
- A series of meetings with each school during its pre-opening timeline to ensure sufficient progress;
- A pre-opening site visit and walk-through to ensure readiness to serve students;
- Annual consideration to issue or lift "notifications of fiscal concern";
- Investigation of complaints and concerns as necessary; and
- Issuance of courtesy letters as necessary.

5. Key External Factors

- Lack of public awareness of charter schools;
- The autonomy of independent charter school governing boards;
- Legislation;
- Corporate influence on entities external to the IPCSC; and
- The impact on assessment of student mobility in a school choice setting.

6. Evaluation

The IPCSC will evaluate the successes and challenges of progress toward objectives at each regular meeting and will engage in long-term goal setting through annual strategic planning work.

Part II. Performance Measures

Summary

Goal 1: The IPCSC will cultivate a portfolio of exemplary charter schools.

Objective 1: The IPCSC ~~intends to achieve this goal by will~~ making data-driven decisions.

Objective 2: The IPCSC ~~intends to achieve this goal by will~~ providing effective oversight.

~~**Objective 3:** The IPCSC intends to achieve this goal by assisting schools in achieving success with regard to performance outcomes.~~

Goal 2: The IPCSC will advocate for student, taxpayer, and charter sector interests.

Objective 1: The IPCSC ~~intends to achieve this goal by will~~ contributing to effective charter school law.

Objective 2: The IPCSC ~~intends to achieve this goal by will~~ executing a communication plan.

~~**Objective 3:** The IPCSC intends to achieve this goal by will facilitating provide technical assistance access to meaningful resources.~~

Measures – The following tools will be used to measure the IPCSC’s progress toward its goals.

Data-Driven Decision Making

1.1.1 - ~~Standards of Quality~~ Petition Evaluation Report/ Meeting Minutes

1.1.2 - Annual School Performance Reports/ Final Orders

1.1.3 – Meeting Minutes

Effective Oversight

1.2.1 - Performance Framework

1.2.2 - Complaint and Concern Log

1.2.3 - Courtesy Letters

Contribution to Effective Law

2.1.1 – Maintenance of Effort Records

Communication

2.2.1 - ~~Constant Contact~~ Communication Data Analytics

~~1.3.2~~ 2.2.2 - School Survey Results

~~2.2.2 – Social Media Analytics~~

2.2.3 – Annual Performance Reports

Technical Assistance

2.3.1 – Outreach Log

2.3.2 – Network Event Attendance Rosters

~~2.3.1 – Constant Contact Click Rate~~

Goal 1: The IPCSC will cultivate a portfolio of exemplary charter schools.

Objective 1: The IPCSC will make data-driven decisions.

(Aligned with SBE Goal 1, Objective A: Data and Transparency)

Measure 1: Standards of Quality Petition Evaluation Reports/ Meeting Minutes



Target 1: 100% of new charter school petitions approved without conditions will meet all of the established standards of quality.

Result: 100% of new charter school petitions approved without conditions met all established standards of quality.

	FY22	FY23	FY24	FY25	FY26
# of Petitions Approved Without Conditions	1				
# of Petitions Approved With Conditions	1				
# of Petitions Withdrawn	0				



Target 2: All approved amendment requests meet the applicable standards of quality.

Task 1: IPCSC staff will develop a guidance document specific to amendments by ~~June 30th 2022~~ October 30, 2022.

Result: Incomplete as of 4/14/22. The IPCSC processed 13 amendments in FY22. Most were “housekeeping” changes to a school’s charter. This target was prioritized behind the annual report re-formatting work and behind the revisions to the renewal process. As these tasks are complete, work on the amendment process can begin in FY23.

Measure 2: Annual School Performance Reports/ Final Orders



Target 1: All schools whose renewal applications are approved without conditions meet all standards on the school’s most recent annual performance report.

Result: All schools (4/4) renewed without conditions in FY22 met the minimum standard on all measures of the on the school’s most recent annual performance report.

	FY22	FY23	FY24	FY25	FY26
# Charters Meeting All Standards	4				
# Charters Renewed Without Conditions	4				



Target 2: All schools whose renewal applications are approved with conditions include conditions specific to the unmet measures noted in the school’s most recent annual performance report.

Result: All schools renewed with conditions in FY22 included conditions specific to each measure on which the school did not meet standard as reported in the school’s most recent annual performance report.

	FY22	FY23	FY24	FY25	FY26
# Charters with Unmet Standards	8				
# of Conditional Renewals w/ Conditions for Each Unmet Standard	7				
# of Non-Renewed Charters	1				

Measure 3: Meeting Minutes



Target 1: The IPCSC will engage in at least five (5) professional development mini-sessions to be conducted at regular commission meetings each year.

Result: The IPCSC engaged in five trainings in FY22.

FY22 Topics:

1. Commission/Executive Relationships – Brian Carpenter – August 2021
2. Renewal Procedures – IPCSC Staff – October 2021
3. 7 Strategies of Leadership – Mark Brown – December 2021
4. Executive Director Eval Process – DHR – February 2022
5. Working with ESPs – Brian Carpenter and NAPCS – April 2022

Goal 1: The IPCSC will cultivate a portfolio of exemplary charter schools.

Objective 2: Provide effective oversight.

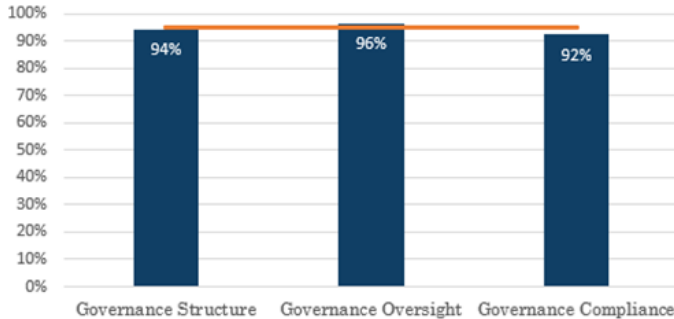
Aligned with I.C. §33-5209A and §33-5210, regarding accountability

Measure 1: Performance Framework

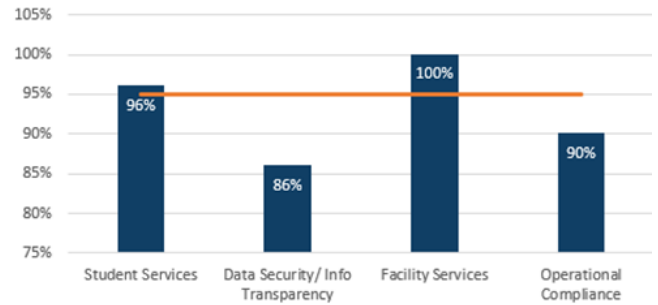


Target 1: 95% of IPCSC schools will meet or exceed standard on all operational measures each year.
Result:

% of IPCSC Schools Meeting Board Stewardship Standards

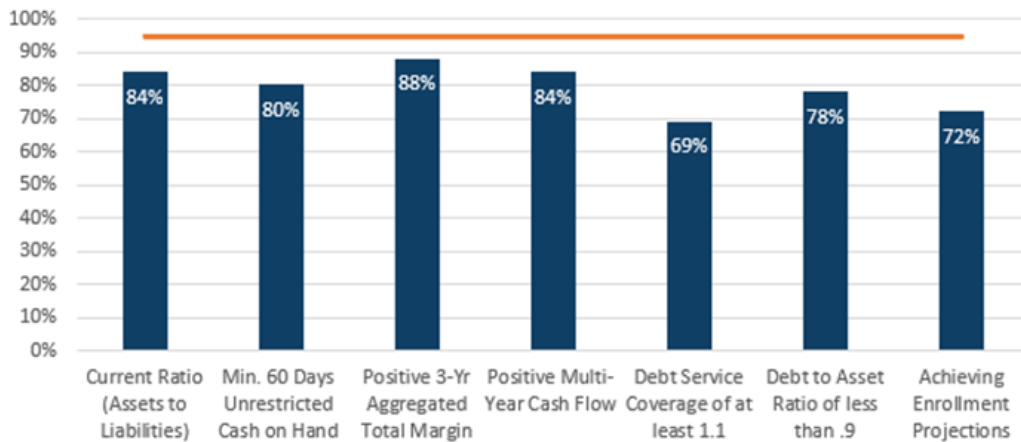


% of IPCSC Schools Meeting Leadership/Management Standards



Target 2: 95% of IPCSC schools will meet or exceed standard on all financial measures each year.
Result:

% of IPCSC Schools Meeting Financial Standards



Target 3: 75% of IPCSC schools will meet or exceed standard on all academic measures by 6/30/2025.

Result:

	FY22	FY23	FY24	FY25	FY26
Target	baseline	53%	60%	67%	75%
Result	46%				

Measure 2: Complaint and Concern Log



Target 1: 95% of identified concerns will be resolved within 30 days.

Result:

	FY22	FY23	FY24	FY25	FY26
# of Complaints Received	41				
# of Complaints Resolved w/in 30 Days	31				
% of Complaints Resolves promptly	76%				

Measure 3: Courtesy Letters



Target 2: 95% of the concerns that cannot be resolved within 30 days are engaged as a formal investigation and documented via courtesy letters.

Result: The IPCSC issued one courtesy letter in FY22 related to an issue that remains unresolved. Three other issues took longer than 30 days to resolve, but were resolved without further intervention.

Financial Note: The work of achieving targets in this Objective will be largely achieved through communication, training, and outreach to schools. The staffing plan at the end of this report seeks to provide the human resources necessary to meet these standards by the end of FY26.

Goal 2: The IPCSC will advocate for student, taxpayer, and charter sector interests.

Objective 1: Contribute to effective charter school law.

Aligned with I.C. §33-5213, regarding establishment of the IPCSC

Measure 1: Maintenance of Effort Records



Target 1: The IPCSC Director will dedicate at least 10% of his/her time to activities that directly contribute to continuous improvement of charter schools

Result:

Target Hours	208
Actual Hours (4/1/22)	82.5

Financial Note: Additional staffing will be necessary to provide the Director time to focus on this important work. See the staffing plan section of this report.

Goal 2: The IPCSC will advocate for student, taxpayer, and charter sector interests.

Objective 2: Communicate effectively with Stakeholders

Measure 1: Newsletter and Social Media Data



Target 1: The IPCSC will achieve a 75% open rate on quarterly newsletters sent to all IPCSC school administrators and board chairs by June 30, 2025.

Result:

Newsletter	July 2021	March 2022
# of Recipients	369	355
Open Rate	48%	60%



Target 2: The IPCSC will increase the number of people regularly reached through social media to 200 by June 30, 2025.

Result:

Social Media	Feb 2022-March 2022
*Total Page Likes	38
*Total Page Followers	60
Feb 2022-March 2022 Page Likes	+9
Feb 2022-March 2022 Page Followers	+9

Measure 2: School Survey Participation Rate



Target 1: 95% of IPCSC schools will provide feedback via an annual feedback survey.

Result: Survey responses were shared with the Commission at an open meeting. The FY22 survey participation rate was 29%.

Survey & Date	Audience (Email)	Responses
IPCSC Stakeholder Survey 12/10/2021	136	33

Financial Note: The work of achieving targets in this Objective will be largely achieved through communication, training, and outreach to schools. The staffing plan at the end of this report seeks to provide the human resources necessary to meet these standards by the end of FY26.

Goal 2: The IPCSC will advocate for student, taxpayer, and charter sector interests.

Objective 3: Facilitate access to meaningful resources for charter schools.

Aligned with I.C. §33-5209, regarding enforcement.

Measure 1: Network Event Attendance Rosters



Target 1: The IPCSC will engage at least 100 unique stakeholders each year through networking events by June 30, 2025.

Task 1: The IPCSC will host quarterly webinar events

Result: No significant progress in FY22.

Task 2: The IPCSC will host annual in-person events

Result: No significant progress in FY22.

Task 3: The IPCSC will increase presence at local and Idaho events that celebrate the charter sector and/or promote the work of charter schools.

Result: Events attended in FY22 include:

- Idaho School Board Association Annual Convention (3 presentations)
- Charter Start 101 Workshop – SDE (fall and spring)
- Charter School Boot Camp – SDE
- Idaho Superintendent’s Network Meeting (discussion facilitator)
- Idaho Association of School Business Officials
- Idaho Prevention and Support Conference

Measure 2: Annual Performance Reports



Target 1: Provide outreach to every school that does not meet standard on one or more measure as reported on the school’s annual performance report by February 15th each year.

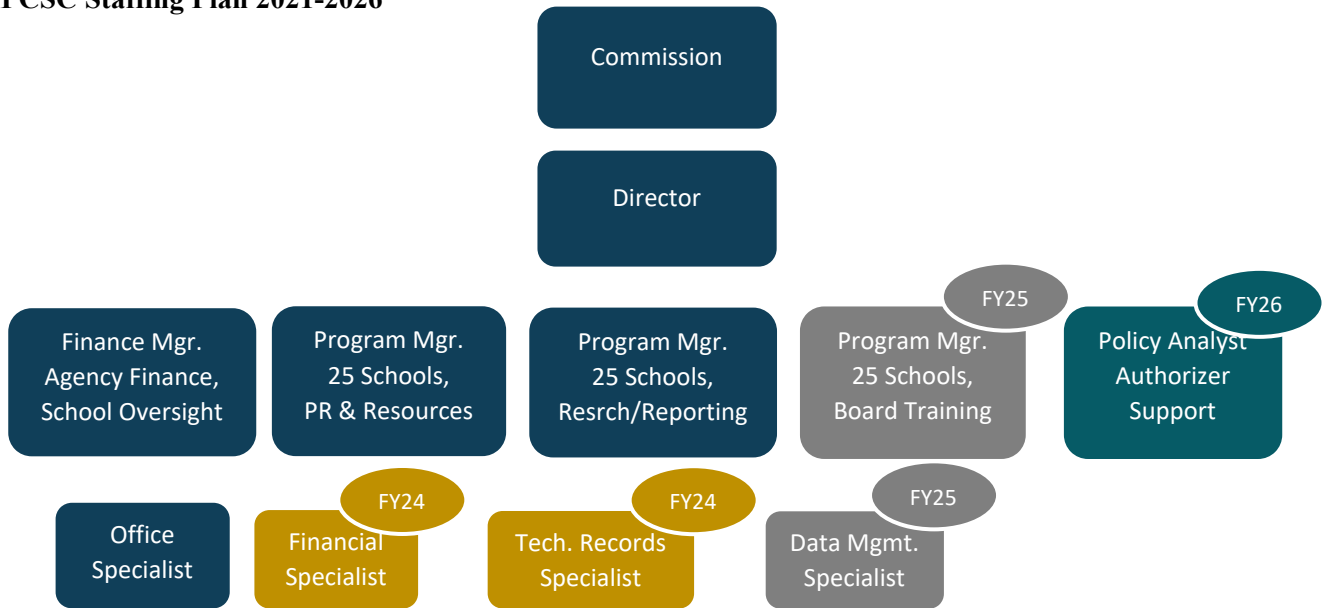
Task 1: Program Managers will engage in outreach with all school whose annual reports indicates a rating of “approaches” or “does not meet” standard on any measure by February 15th each year.

Result:

	FY22	FY23	FY24	FY25	FY26
# of school not meeting 1 or more standard	26				
# of schools receiving direct outreach by Feb. 15 th	17				
% of schools receiving outreach within 30 days of final reporting	65%				

Financial Note: While it has become clear that stakeholders want and need access to training, quality resources, and networking opportunities that the IPCSC is uniquely qualified to provide and facilitate, additional staffing will be necessary in order to fully realize this goal. See the staffing plan section of this report.

IPCSC Staffing Plan 2021-2026



For FY24 the IPCSC requests two additional FTE.

1. A finance specialist (estimated salary \$55,000) will provide support to the current finance manager by completing day-to-day financial tasks for the agency and for school oversight.
2. A technical records specialist (estimated salary \$45,000) will take on management of contracts and oversight files. This will free-up program managers to more fully engage with school training, support, and charter sector advocacy.

In FY25, the IPCSC intends to request two additional FTE.

1. An additional program manager (estimated salary \$65,000) will be necessary to accommodate the steep growth in the number of charter schools in Idaho.
2. A data management position (estimated salary \$45,000) will be necessary to take on management of academic, financial, and operational data points that are not collected or managed by any other agency.

In FY26, the IPCSC anticipates a need to request one additional FTE.

1. A policy analyst (estimated salary \$73,000) that would also provide support and training to district and higher-ed entities that serve as charter school authorizers will be necessary. This position may be needed sooner should Rule or Statue shift prior to FY26.

Notes on continued growth

As a program manager's case load of schools is ideal at 25 schools, and the IPCSC will begin FY23 with 63 schools, it is likely that a third program manager will quickly be at capacity. Future requests for additional program managers will be based on the number of schools served.

Notes on facilities growth

The IPCSC currently occupies 1075 square feet. The Idaho Division of Administration's facility needs worksheet indicates that 1095 is the minimum necessary for the agency's FY22 staffing size and 2,500 at the end of FY26. FY24 budget anticipates a need for 3,000 square feet of office space in order to accommodate the anticipated growth.

Attestation

I, _____, Director of the Idaho Public Charter School Commission, hereby attest that the data and information presented in this document has been internally assessed for accuracy and has been deemed to be correct.

Signature

Date

V. STRATEGIC PLAN

B. Facility Options

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §67-5708B – Facility Space Utilization

BACKGROUND

The IPCSC currently occupies 1,075 square feet of office space. The Division of Administration requires agencies to complete a space allocation worksheet each year. The minimum square footage recommended based on the IPCSC's current staffing is 1,095. The IPCSC will not be able to add additional personnel and stay in the current location.

No space is available in the Capitol Mall area for permanent occupancy. Agencies are encouraged to leverage remote working arrangements to maximize space availability. Other options include moving to the Chinden campus or pursuing commercial space.

DISCUSSION

Option 1: Leveraging Remote

Program managers currently maintain the ability to work remotely one day a week, staff often work odd hours to accommodate evening board meeting observations, and travel for off-site meetings happens frequently. The IPCSC staff is adept at working in a hybrid on-site/remote environment. It does not seem likely that much greater leverage can be obtained without home offices becoming primary places of work. This is the least plausible option, but would keep the agency in the current space a little longer.

Option 2: Commercial Space

The current office space is leased at a cost of \$13.5 per square foot. Commercial space is averaging more than \$20 per square foot. Downtown locations are highly sought after, and any cost of remodeling would fall to the IPCSC. As $\frac{3}{4}$ of the IPCSC's operating budget is funded directly by fees paid by schools, this option would result in a direct cost to schools, but would keep us downtown long term. The Division of Administration offers some assistance to agencies in securing commercial leases.

Option 3: Chinden Campus

The third option is to move to the Chinden Campus. The Division of Administration was recently granted \$37 million from the Legislature for the purpose of remodeling this campus. The work includes designing the newly-finished space to meet the needs of the agencies that will occupy it. In this option, the IPCSC would be eligible for approximately 3,000 square feet (see the space allocation worksheet), fully remodeled and designed to our specifications at no cost to the IPCSC or its schools. The new space would lease at \$13.5 per square foot. The only cost the IPCSC would incur is the move itself and the additional cost per square foot starting in FY24.

Part of the new build-out would include an in-office, fully-equipped, conference room to seat 15, as well as hard-walled offices, a variety of modern work stations, and a

break room. An unofficial sample floor plan is included in these materials for reference.

The IPCSC could use the Capitol for commission meetings when it is available, and would have access to a larger Conference Center on the Chinden Campus for meetings or events.

The FY24 budget plan accounts for the potential need to lease a single temporary office (either from another state agency or commercially) during the legislative session should access become problematic.

Temporary Space

A final caveat to this option would require that the IPCSC move into temporary space in May of 2022 to free up the currently occupied space while awaiting completion of the Chinden facility. This requires two moves, but the first would be no cost to the IPCSC.

SPEAKER

Jenn Thompson, IPCSC Director

IMPACT

IPCSC staff will pursue whichever option the Commission prefers.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of a permanent move to the Chinden Campus for FY24 and pursuit of the Capitol Mall temporary relocation in May of 2022.

COMMISSION ACTION

A motion to pursue a permanent move to the Chinden Campus for FY24 and a temporary relocation in the Capitol Mall area in May of 2022;

OR

A motion to pursue a move to commercial office space in the downtown area;

OR

A motion to leverage remote working arrangements to maximize space availability in the current office space as long as possible.

State Chinden Campus Parking

NORTH CLOVERDALE ROAD



CHINDEN BLVD.

U.S. HIGHWAY 20&26

VISITOR
PARKING

Building
ENTRY 8

Building
ENTRY 2

Building
ENTRY 1

Building
ENTR 4

Building
3

Conf Center

Building
ENTRY 6

Building
5

Building
7

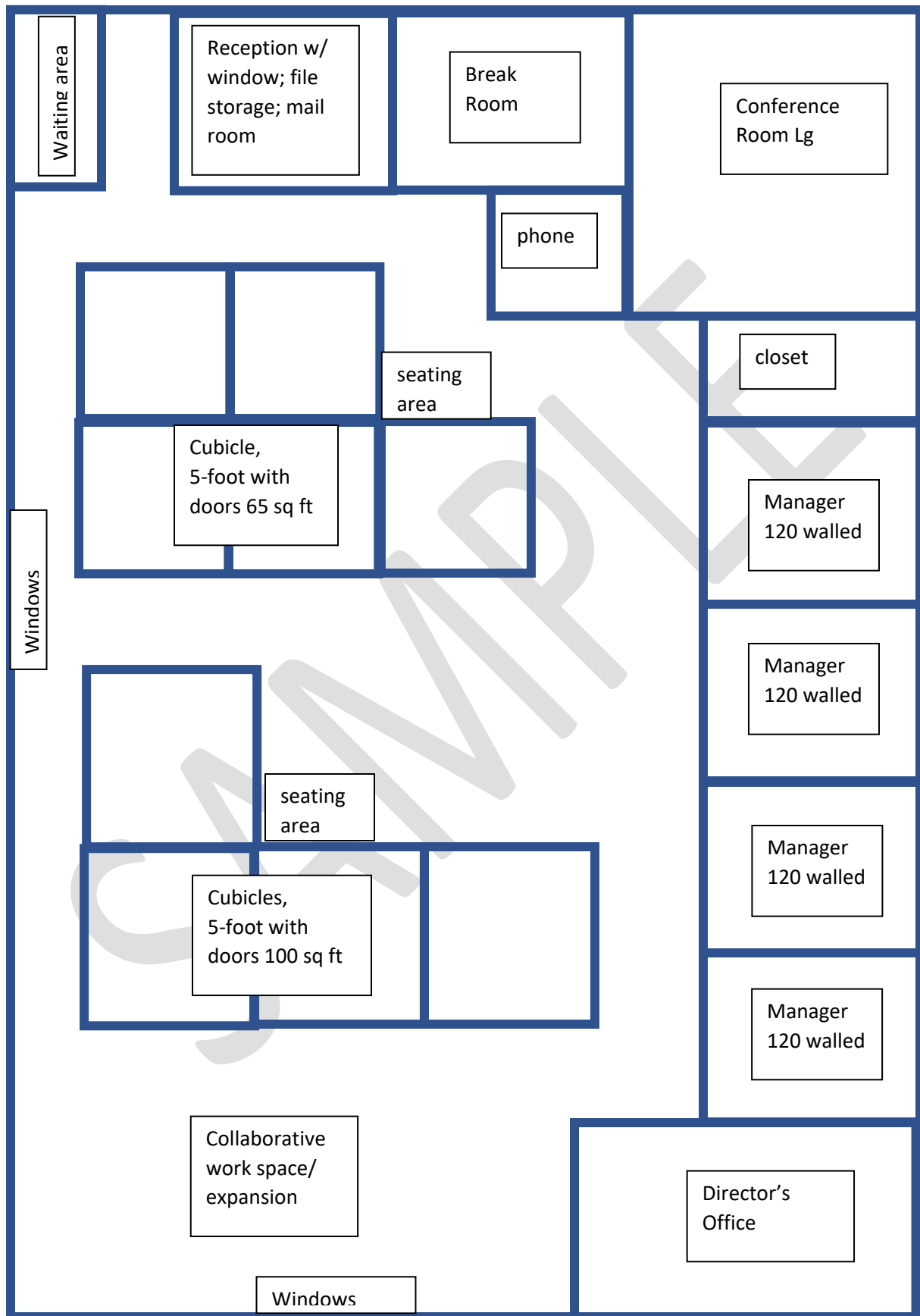
FIVE MILE ROAD

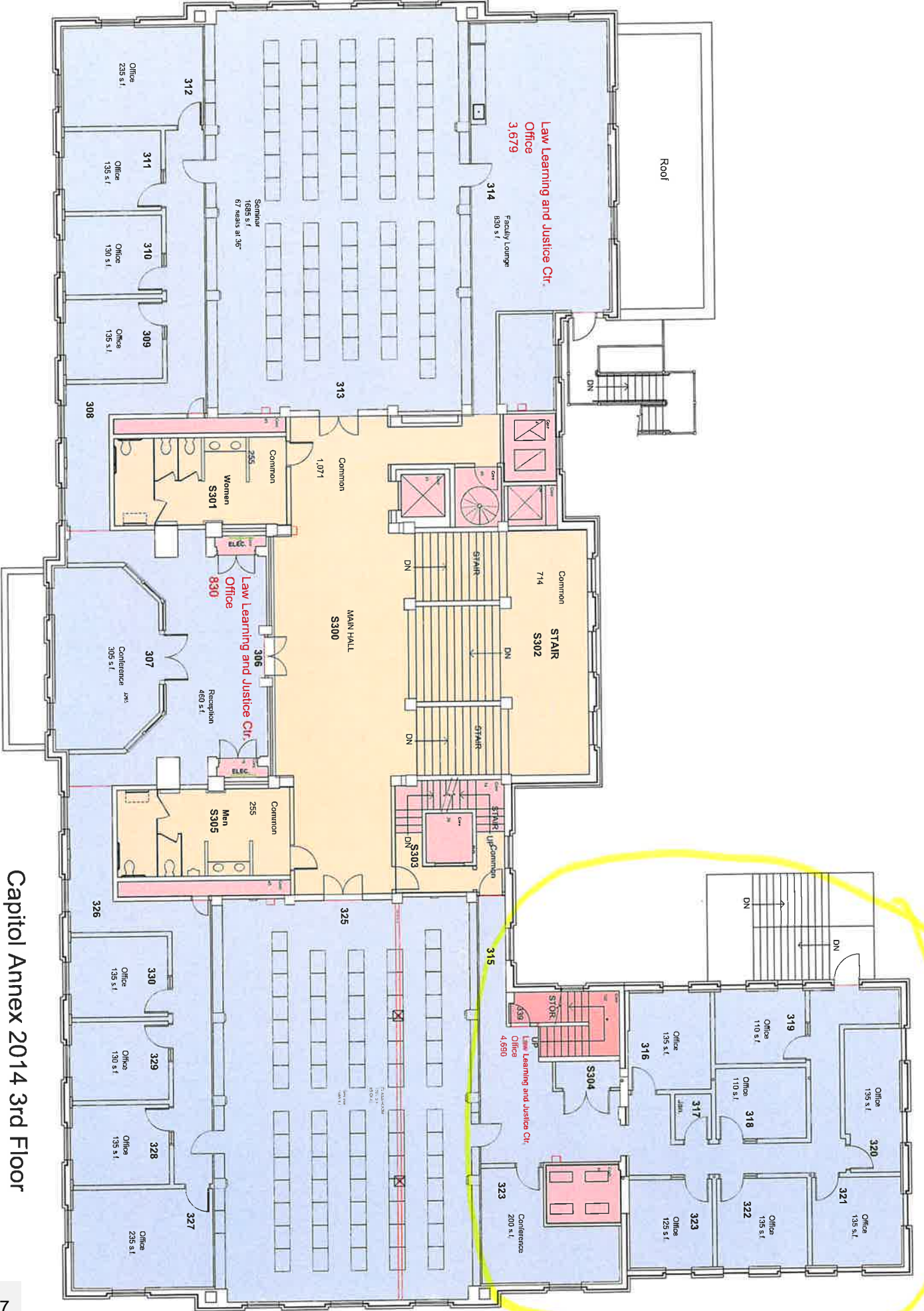
ADDRESSES:

- Building #1: 11301 W. Chinden
- HP
- Building #2: 11321 W. Chinden
- Tax Commission
- Industrial Commission
- First Tech Federal Credit Union
- Building #3: 11311 W. Chinden
- HP
- Building #4: 11341 W. Chinden
- US Public Sector
- Building #5: 11371 W. Chinden
- HP
- Building #6: 11351 W. Chinden
- Postal Services
- IDOPL
 - Outfitters & Guides
 - Occupational Licenses
 - Board of Nursing
 - Veterinary Medicine
- OEM
- Campus Conference Center
- Building #7: 11361 W. Chinden
- HP
- Building #8: 11331 W. Chinden
- Public Utilities Commission
- Information Technology Services
- Sykes



SAMPLE





Capitol Annex 2014 3rd Floor

SPACE ALLOCATION STANDARDS WORKSHEET Date: 02/03/2020

AGENCY: _____ **LOCATION:** _____
 CURRENT SQ FT: 1095 PROJECTED SQ FT: 1,728 SQ FT at 215sf / FTE:
 CURRENT FTE: 5 PROJECTED FTE: 5 **1,075**

Area/Room	# of FTE*	SF / FTE*	Total	Hard Walls or Open Office	#Data Ports	#Phone Ports	Remarks
-----------	-----------	-----------	-------	---------------------------	-------------	--------------	---------

HARD WALL OFFICE:							
Director of Department	1	240	240	Hard wall			Average 150 SF & no more than 10% of work spaces
Deputy Director		160	-	"			
Division Administrator		160	-	"			
Bureau Chief/Director of Board		115	-	"			
Regional/Division Mangers		115	-	"			
Staff Attorney		115	-	"			

Director

OPEN OFFICE AREA:							
Supervisor/Professional 80-96 SF	3	96	288	Open office			Average open office workspace 64 SF (8'x8') (staff in office less than 60% of time)
Case Worker 64-80 SF		80	-	"			
Technical 48-64 SF		64	-	"			
Clerical Staff 48-64 SF	1	64	64	"			
Clerical Pool 36-48 SF		48	-	"			
Receptionist		64	-	"			
Adjunct Desk Area/Field Worker/Data Entry 36-48 SF		48	-	"			
Other: Anticipated growth		80	-	"			

Finance Manager and 2 Program Managers

Office Specialist

SPECIALTY AREAS: #/Rm sf/person							
Waiting Area/per person	5	10	50	Open office			conf. rooms should be occupied 15hrs or more per week
Large Conference/per person (joint use among Agencies encouraged)		15	-	Hard wall			
Small conf 4 to 8 seats (joint use among Agencies encouraged)	8	20	160	Hard wall			
File Storage (active files only, typically along interior circulation)	1	150	150				
Classroom/ per person		30	-	Hard wall			
Library			-	Hard wall			
Mail Room		100	-	Hard wall			
Computer/Phone Rm	1	100	100	Hard wall			
Laboratory		900	-	Hard wall			
Equipment storage room	1	150	150	Hard wall			
Other:			-				
Total Net Square Feet (NSF)			1,202				
Circulation Factor		25%	301				

TOTAL Dept. Gross Square Footage (DGSF) 1,503 Add 15% = 1,728 TOTAL SF

Open Office space is the standard design approach. Hard walled offices for staff below the Staff Attorney level require written justification. Average SF per workspace (open office & hard wall office) 80 SF. Endeavor to stay within 215 DGSF per FTE for

Parking Required: Employee: _____ Client: _____ State: _____ **TOTAL 0**
 Prepared By: _____ Date: _____
 Authorized by: _____ Date: _____

FTE is a full time employee Restrooms are usually a part of common area
 Version 01/07/2020

SPACE ALLOCATION STANDARDS WORKSHEET Date: 02/03/2020

AGENCY: _____ **LOCATION:** _____
 CURRENT SQ FT: 1095 PROJECTED SQ FT: 2,281 SQ FT at 215sf / FTE:
 CURRENT FTE: 5 PROJECTED FTE: 7 1,505

Area/Room	# of FTE*	SF / FTE*	Total	Hard Walls or Open Office	#Data Ports	#Phone Ports	Remarks
HARD WALL OFFICE:							
Director of Department	1	240	240	Hard wall			Average 150 SF & no more than 10% of work spaces moves program managers to hard wall offices
Deputy Director		160	-	"			
Division Administrator	3	160	480	"			
Bureau Chief/Director of Board		115	-	"			
Regional/Division Mangers		115	-	"			
Staff Attorney		115	-	"			
OPEN OFFICE AREA:							
Supervisor/Professional 80-96 SF		96	-	Open office			Average open office workspace 64 SF (8'x8') Technical Records Specialist, Financial Specialist
Case Worker 64-80 SF		80	-	"			
Technical 48-64 SF	2	64	128	"			
Clerical Staff 48-64 SF	1	64	64	"			
Clerical Pool 36-48 SF		48	-	"			
Receptionist		64	-	"			
Adjunct Desk Area/Field Worker/Data Entry 36-48 SF		48	-	"		(staff in office less than 60% of time)	
Other: Anticipated growth		80	-	"			
SPECIALTY AREAS:							
Waiting Area/per person	5	10	50	Open office			conf. rooms should be occupied 15hrs or more per week
Large Conference/per person (joint use among Agencies encouraged)	15	15	225	Hard wall			
Small conf 4 to 8 seats (joint use among Agencies encouraged)		20	-	Hard wall			
File Storage (active files only, typically along interior circulation)	1	150	150				inactive files stored off site
Classroom/ per person		30	-	Hard wall			(not in finished area)
Library			-	Hard wall			
Mail Room		100	-	Hard wall			
Computer/Phone Rm	1	100	100	Hard wall			
Laboratory		900	-	Hard wall			
Equipment storage room	1	150	150	Hard wall			
Other:			-				
Total Net Square Feet (NSF)			1,587				
Circulation Factor		25%	397				
TOTAL Dept. Gross Square Footage (DGSF)			1,984	Add 15% =	2,281	TOTAL SF	
Open Office space is the standard design approach. Hard walled offices for staff below the Staff Attorney level require written justification. Average SF per workspace (open office & hard wall office) 80 SF. Endeavor to stay within 215 DGSF per FTE for							
Parking Required:	Employee:	Client:	State:	TOTAL	0		
	Prepared By:		Date:				
	Authorized by:		Date:				
FTE is a full time employee Restrooms are usually a part of common area Version 01/07/2020							

SPACE ALLOCATION STANDARDS WORKSHEET						Date: 02/03/2020		
AGENCY:			LOCATION:					
CURRENT SQ FT: 1095	PROJECTED SQ FT:	2,885	SQ FT at 215sf / FTE:					
CURRENT FTE: 5	PROJECTED FTE:	10	2,150					
Area/Room	# of FTE*	SF / FTE*	Total	Hard Walls or Open Office	#Data Ports	#Phone Ports	Remarks	
HARD WALL OFFICE:								
Director of Department	1	240	240	Hard wall			Director	
Deputy Director		160	-	"			Average 150 SF & no more than 10% of work spaces	
Division Administrator	4	160	640	"				FY25 +1 Program Manager
Bureau Chief/Director of Board		115	-	"				
Regional/Division Mangers		115	-	"				
Staff Attorney		115	-	"				
OPEN OFFICE AREA:								
Supervisor/Professional 80-96 SF		96	-	Open office			Average open office workspace 64 SF (8'x8')	
Case Worker 64-80 SF		80	-	"				
Technical 48-64 SF	2	64	128	"				
Clerical Staff 48-64 SF	1	64	64	"				
Clerical Pool 36-48 SF		48	-	"				
Receptionist		64	-	"				
Adjunct Desk Area/Field Worker/Data Entry 36-48 SF		48	-	"				(staff in office less than 60% of time)
Other: Anticipated growth	2	80	160	"			Room for 2 more positions in the future.	
SPECIALTY AREAS:								
	#/Rm	sf/person						
Waiting Area/per person	5	10	50	Open office			conf. rooms should be occupied 15hrs or more per week	
Large Conference/per person (joint use among Agencies encouraged)	15	15	225	Hard wall				
Small conf 4 to 8 seats (joint use among Agencies encouraged)		20	-	Hard wall				
File Storage (active files only, typically along interior circulation)	1	150	150				inactive files stored off site	
Classroom/ per person		30	-	Hard wall			(not in finished area)	
Library		-	-	Hard wall				
Mail Room	1	100	100	Hard wall				
Computer/Phone Rm	1	100	100	Hard wall				
Laboratory		900	-	Hard wall				
Equipment storage room	1	150	150	Hard wall				
Other:		-	-					
Total Net Square Feet (NSF)			2,007					
Circulation Factor		25%	502					
TOTAL Dept. Gross Square Footage (DGSF)			2,509	Add 15% =	2,885	TOTAL SF		
Open Office space is the standard design approach. Hard walled offices for staff below the Staff Attorney level require written justification. Average SF per workspace (open office & hard wall office) 80 SF. Endeavor to stay within 215 DGSF per FTE for								
Parking Required:	Employee:	Client:	State:	TOTAL	0			
	Prepared By:			Date:				
	Authorized by:			Date:				
FTE is a full time employee				Restrooms are usually a part of common area				
Version 01/07/2020								

V. STRATEGIC PLANNING

C. LEGISLATIVE IDEAS

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §33-5213

BACKGROUND

Legislative ideas the IPCSC would like to pursue must be submitted to the State Board of Education (SBE) no later than May 11th for consideration.

The SBE must submit any approved legislative ideas to the Division of Financial Management by the end of June each year. If approved by the DFM, full drafts of the proposed legislation are due in August.

The IPCSC chose to pursue a few minor clean up issues during the 2021 legislative session. This was approved by the SBE and the DFM. Ultimately, it was determined that no charter school legislation would be supported by the IPCSC.

DISCUSSION

In reference to Title 33, Chapter 52 of Idaho Code, regarding public charter schools, Idaho Code states: “It shall be the responsibility and duty of the director acting at the direction of the commission to administer and enforce the provisions of this chapter.”

The charter school act was passed in 1996 and has grown organically since that time. This has resulted in many issues that make administration and enforcement difficult. Examples of issues include:

- language that is technologically outdated leaving schools with insufficient procedural guidance;
- inconsistent use of the term “district” and “local education agency”, allowing for various statutes to be interpreted differently by different entities; and
- sections of Code that were modified in such a way as to contradict other sections.

Additionally, as the charter sector in Idaho matures and moves away from “mom-and-pop” style start-ups to schools with more sophisticated corporate backing, the IPCSC frequently encounters situations that the current law simply does not contemplate, including replication, merger, or corporate applications.

In situations in which legislative direction is unclear, the commission is still responsible for administration and enforcement, and must exercise its own discretion in determining action.

IMPACT

The Director will submit any legislative ideas the Commission wishes to pursue to the SBE.

IPCSC staff considers the following issues as most in need of attention:

- replication, expansion, and growth
- financial transparency
- career technical regional public charter schools
- board training
- definitions and consistent language

STAFF COMMENTS AND RECOMMENDATIONS

No comments or recommendations.

COMMISSION ACTION

Any action is at the discretion of the Commission.

VI. FRAMEWORK REVISIONS

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §33-5209A

BACKGROUND

Charter school authorizers must maintain a performance framework that clearly sets forth the indicators, measures, and metrics used to guide the authorizer's evaluations of the school's performance outcomes.

The proposed revisions were reviewed by the IPCSC in February and feedback was solicited from stakeholders. Feedback received is included in these materials.

DISCUSSION

The IPCSC revised its performance framework in August of 2020. The revised framework was implemented for the 2020-2021 school year for some schools. Other schools have chosen to wait until their next charter renewal to begin using the revisions. Eight (8) schools will remain on the old framework for another year. (5) more for two years.

It was anticipated that minor revisions would be necessary after the first year to fine tune how the revised measures would work with real data sets. These revisions are summarized below and included in these materials marked as red text.

Proposed Revisions:

K-12 General Education Framework

1. Several measures: proposed revision to the exceeds standard definition to clarify which years are indicated by the "3 consecutive years" language.
2. Literacy Proficiency: proposed adding a ceiling of 90% to the exceeds standard rating.
3. Enrollment Variance: proposed permanently shifting the calculation to use proposed enrollment and actual enrollment rather than the previously used proposed enrollment and average daily attendance.
4. Student Services: proposed adding a reference to federal programs status in this meets standard definition.

Supplemental Alternative School Measures

1. Math Content Mastery: proposed adding a general clarification that allows for data set modifications based on how the school's course progress is structured.
2. Progress Toward Graduation: proposed revision of the calculation used to achieve a meets standard rating on this measure.

SPEAKER

Jenn Thompson, IPCSC Director

IMPACT

If the Commission approves the proposed revisions, this final clean-up can be implemented immediately.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the Commission approve the proposed revisions as presented.

COMMISSION ACTION

A motion to approve the proposed revisions as presented;

OR

A motion to approve the proposed revisions with the following changes: [state changes];

OR

A motion to deny the proposed revisions as presented.



Idaho Public Charter School Commission

304 North 8th Street, Room 242

Boise, Idaho 83702

Phone: (208)332-1561

pcsc@osbe.idaho.gov

Alan Reed, Chairman

Jenn Thompson, Director

ACADEMIC MEASURES

All School Measures

1. Math Proficiency
2. ELA Proficiency
3. Math Growth
4. ELA Growth
5. Literacy Proficiency
6. College and Career Readiness

Identified Comparison Group Options:

- All schools in the traditional district in which the school is located as reported on the Idaho Report Card.
- A custom group of individual schools from across Idaho that have similar demographic attributes to the charter school.
- All alternative schools in Idaho.

1. MATH PROFICIENCY

Proficiency Rate: The ~~PCSC~~PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or OR The The school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school’s proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school’s proficiency rate is more than one standard deviation below the mean of the identified comparison group, OR the the school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

2. ELA PROFICIENCY

Proficiency Rate: The ~~PCSC~~PCSC will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Exceeds Standard	The school’s proficiency rate is greater than one standard deviation above the mean of the identified comparison group, or OR The The school’s proficiency average is in 90 th percentile of all Idaho schools.
Meets Standard	The school’s proficiency rate is equal to the mean or OR F Falls between the mean and one standard deviation above the mean of the identified comparison group.

Approaches
Standard

The school's proficiency rate falls between the mean and one standard deviation below the mean of the identified comparison group.

Does Not Meet
Standard

The school's proficiency rate is more than one standard deviation below the mean of the identified comparison group,

OR

~~the~~ school has been identified for comprehensive or targeted support for three consecutive years as per the Idaho Consolidated Plan.

3. MATH GROWTH

Growth Rate: The **PCSCIPCSC** will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Exceeds Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group,</p> <p>OR</p> <p>†The school's growth rate is in the 90th percentile of all Idaho public schools.</p>
Meets Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group,</p> <p>OR</p> <p>†The growth rate increased by at least 10% over the previous year.</p>
Approaches Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.</p>

4. ELA GROWTH

Growth Rate: The **PCSCIP CSC** will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Exceeds Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is greater than one standard deviation above the mean of the identified comparison group,</p> <p>OR</p> <p>†The school's growth rate is in the 90th percentile of all Idaho public schools.</p>
Meets Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency is equal to the mean or falls between the mean and one standard deviation above the mean of the identified comparison group,</p> <p>OR</p> <p>†The growth rate increased by at least 10% over the previous year.</p>
Approaches Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment but who did make adequate growth toward proficiency falls between the mean and one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The percentage of students in grades 3-8 who did not achieve proficiency on the current year's assessment made adequate growth toward proficiency is more than one standard deviation below the mean of the identified comparison group.</p>

5. LITERACY PROFICIENCY

Literacy Proficiency Rate: The **PCSC|PCSC** will use the proficiency rates as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Exceeds Standard	<p><u>One of the following is true:</u></p> <ul style="list-style-type: none">• The school's proficiency rate on the spring administration of the statewide literacy assessment is greater than one standard deviation above the mean of the identified comparison group;• <u>the school's proficiency rate on the spring administration of the statewide literacy assessment is at or above 90%</u>; OR• The fall to spring change in proficiency rate is 20% or greater.
Meets Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment is equal to the mean or within one standard deviation above the mean of the identified comparison group;</p> <p>OR</p> <p>TThe school's fall to spring change in proficiency rate is between 10%-19%.</p>
Approaches Standard	<p>The school's proficiency on the spring administration of the statewide literacy assessment falls within one standard deviation below the mean of the identified comparison group.</p>
Does Not Meet Standard	<p>The school's proficiency rate on the spring administration of the statewide literacy assessment is more than one standard deviation below the mean of the identified comparison group.</p>

6. COLLEGE AND CAREER READINESS

Adjusted Cohort Graduation Rate (ACGR): Alternative schools will be evaluated based on their 5-Year ACGR. All other schools will be evaluated based on their 4-Year ACGR.

Graduation Rate: The ~~PCSC~~PCSC will use either the 4-Year ACGR or the 5-Year ACGR as determined by the Idaho Accountability Framework and reported via the Idaho Report Card.

Exceeds Standard	The school's 4-Year or 5-Year ACGR is greater than one standard deviation above the identified comparison group, OR + The school's ACGR is 90%.
Meets Standard	The school's 4-Year or 5-Year ACGR is equal to the mean or OR f Falls between the mean and one standard deviation above the mean of the identified comparison group.
Approaches Standard	The school's 4-Year or 5-Year ACGR falls between the mean and one standard deviation below the mean of the identified comparison group.
Does Not Meet Standard	The school's 4-Year or 5-Year ACGR is more than one standard deviation below the identified comparison group.

OPERATIONAL MEASURES

BOARD STEWARDSHIP

1. Governance Structure
2. Governance Oversight
3. Governance Compliance

OPERATIONAL MANAGEMENT

4. Student Services
5. Data Security and Information Transparency
6. Facility and Services
7. Operational Compliance

BOARD GOVERNANCE

1. Governance Structure Rubric

Data Sources: Board bylaws, articles of incorporation, and any courtesy letters or notifications issued to the school by entities responsible for oversight or enforcement.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	<ul style="list-style-type: none">• Board Bylaws are compliant with ID law.• Articles of Incorporation are current.• No investigations were conducted into either ethical behavior or conflict of interest regarding any board director.• The board did not experience an Open Meeting Law violation that needed to be cured this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

2. Governance Oversight Rubric

Data Sources: Board meeting minutes, school policies, continuous improvement plan (or other strategic planning evidence if submitted by the school), and verification of submission of annual administrator evaluation.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	<ul style="list-style-type: none">• The board reviews academic data in a timely and thorough manner.• The board reviews financial reports in a timely and thorough manner.• The board maintains compliant policies.• The board engages in strategic planning.• The board conducts a compliant annual evaluation of their school leader and/or management organization.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

3. Governance Compliance Rubric

Data Sources: If applicable, courtesy letters/notifications of concerns, investigation, or findings issued to the school by entities responsible for oversight or enforcement, and any documentation of correction provided by the school.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	The PCSCIPCS did not issue any courtesy letters or notify an external investigative body of compliance concerns this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

OPERATIONAL MANAGEMENT

4. Student Services Rubric

Data Sources: If applicable, any notifications or courtesy letters issued by the SDE or SBOE which required corrective action with regard to the school's ELL, SPED, or College and Career Readiness programs, as well as any documentation submitted by the school evidencing correction.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	All of the following are true: <ul style="list-style-type: none">• The school's English Language Learner program is in good standing.• The school's Special Education program is in good standing.• The school's college and career readiness program is in good standing; and.• The school's federal programs are in good standing.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

5. Data Security and Information Transparency Rubric

Data Sources: periodic desk audit of school website, and any formal notifications regarding data security or public records compliance.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	<ul style="list-style-type: none">• The school’s website is compliant with I.C. 33-133(7) (data collection, access, and security policy); I.C. 33-320 (continuous improvement plan); and I.C. 33-357 (expenditures updated monthly, contracts, performance reports, and annual budgets).• The school did not experience any issues involving data security this year.• The school did not experience any compliance issue regarding public records requests this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

6. Facility and Services Rubric

Data Sources: Verification of meal service program and transportation services via public documents and/or school website, and any notifications of concerns regarding occupancy or safety issued to the school by entities responsible for oversight or enforcement.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	<ul style="list-style-type: none">• The school’s occupancy certificate is current.• The school maintains current safety inspections and drills.• The school provides daily transportation to students in compliance with Idaho Code. The school provides a compliant lunch program.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

7. Operational Compliance Rubric

Data Sources: Periodic observation of enrollment lottery, and if applicable, any corrective action plans issued by the SDE not related to special education, ELL, or college and career readiness (as these are captured elsewhere), or formal notification of late reports or enrollment violations.

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	<ul style="list-style-type: none">• Required reports are submitted accurately and on time.• The school maintains a compliant enrollment process.• No correct action plans were issued by the SDE this year.
Approaches Standard	The school was informed of or became aware of non-compliance and action to correct the issue was taken within 30 days.
Does Not Meet Standard	The school was informed of or became aware of non-compliance and action to correct the issue was not taken within 30 days.

FINANCIAL MEASURES

NEAR TERM HEALTH

1. Current Ratio
2. Unrestricted Days Cash
3. Default
4. Enrollment Variance

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin
6. Cash Flow and Multi-Year Cash Flow
7. Debt Service Coverage Ratio
8. Debt to Asset Ratio
9. Financial Compliance Rubric

NEAR-TERM HEALTH

1. Current Ratio

Calculation: Current Assets divided by Current Liabilities

Data Source: Annual Fiscal Audit Report

Exceeds Standard	The school has a current ratio of more than 1.5
Meets Standard	The school has a current ratio of at least 1.1 (or between 1.0 and 1.1 with a 1-year positive trend)
Approaches Standard	The school has a current ratio of between .9 and 1.0 (or between 1.0 and 1.1 with a 1-year negative trend)
Does Not Meet Standard	The school has a current ratio of .9 or less.

2. Unrestricted Days Cash

Calculation: Unrestricted Cash and investments divided by ((Total Expenses minus Depreciation Expense) / 365)

Data Source: Annual Fiscal Audit Report

Exceeds Standard	The school has more than 60 days cash on hand
Meets Standard	The school has 60 days cash OR <u>b</u>Between 30- and 60-days cash and one-year trend is positive.
Approaches Standard	The school has between 15-30 days cash OR <u>b</u>Between 30-60 days cash, but one-year trend is negative.
Does Not Meet Standard	The school has fewer than 15 days cash on hand.

3. Default

Calculation: No calculation.

Data Source: Annual Fiscal Audit Report, Terms of Debt, Other Formal Notifications Received by School.

Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	The school is not in default of any financial obligations and did not experience any instances of default during the fiscal year. Financial obligations include, but are not limited to, making payments to vendors and utility services on time, complying with all loan covenants, filing any reports required for maintenance of grants or philanthropic funds, meeting all tax obligations, and operating without financial judgements or property liens.
Approaches Standard	The school experienced one or more instances of minor default during the fiscal year (such as making late payments); however, the school is not currently in default of any financial obligations.
Does Not Meet Standard	School is currently in default of financial obligations.

4. Enrollment Variance

Calculation: ~~Mid-Term ADA~~ [Actual enrollment as of the first Friday in November \(drawn from ISEE\)](#) divided by ~~e~~ [Enrollment P](#) [projections \(as submitted directly to the IPCSC in July\).](#)

Data Source: ~~Mid-Term ADA report~~ [ISEE and direct school report](#)

Exceeds Standard	The school has met standard for at least 3 consecutive years, including the most recently completed school year.
Meets Standard	Enrollment variance is equal to or greater than 95%.
Approaches Standard	Enrollment variance was between 90% and 95%, OR † The enrollment variance was less than 90% and the school provided a mid-year amended budget evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.
Does Not Meet Standard	Enrollment variance was less than 90% and the school did not provide evidence of mid-year budget amendments or operational

changes evidencing at least a break-even budget based on mid-term enrollment and any resulting revenue adjustments.

SUSTAINABLE HEALTH

5. Total Margin and 3Yr Aggregated Total Margin

Calculation:

Most Recent Year Total Margin: 2019 Net Income divided by 2019 Total Revenue.

3-Year Aggregated Total Margin: (2019 Net Income +2018 Net Income +2017 Net Income) divided by (2019 Total Revenue +2018 Total Revenue +2017 Total Revenue)

Data Source: Annual Fiscal Audit Report

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year.
Meets Standard	Aggregated 3-year Total Margin is positive and the most recent year Total Margin is positive OR Aggregated 3-Year Total Margin is greater than -1.5 percent, the trend is positive for the last two years, and the most recent year Total Margin is positive. *Note: For schools in their first or second year of operation, the cumulative Total Margin must be positive.
Approaches Standard	Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard".
Does Not Meet Standard	Aggregated 3-Year Total Margin is less than or equal to -1.5 percent OR † The most recent year Total Margin is less than -10 percent.

6. Cash Flow and Multi-Year Cash Flow

Calculation (example years are included as reference):

Most Recent Year Cash Flow: 2020 Cash and Investments minus 2019 Cash and

Investments Previous Year Cash Flow: 2019 Cash and Investments minus 2018

Cash and Investments Multi-Year Cash Flow: 2020 Cash and Investments minus
2018 Cash and Investments

Data Source: Annual Fiscal Audit Report

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year .
Meets Standard	Multi-Year Cumulative Cash Flow is positive, and Cash Flow is positive in the most recent year is positive, OR Multi-Year Cumulative Cash Flow is negative, but documentation identifies this as a result of a one-time, planned purchase (such as a facility remodel). *Note: Schools in their first or second year of operation must have positive cash flow.
Approaches Standard	Multi-Year Cumulative Cash Flow is positive, but Cash Flow is negative in the most recent year.
Does Not Meet Standard	Multi-Year Cumulative Cash Flow is negative, and no documentation identifies this as a result of a one-time, planned purchase.

7. Debt Service Coverage Ratio

Calculation:

If school owns its facility or if the school leases its facility and the lease is capitalized:
(Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

If school leases its facility and the lease is not capitalized: (Facility Lease Payments + Net Income + Depreciation Expense + Interest Expense) divided by (Principal + Interest + Lease Payments)

Data Source: Annual Fiscal Audit Report

Exceeds Standard	The school's debt service coverage ratio is 1.5 or greater OR † The school operates debt-free.
Meets Standard	Debt Service Coverage Ratio is between 1.1 and 1.49
Approaches Standard	The school's debt service coverage ratio is between .9 and 1.09
Does Not Meet Standard	Debt Service Coverage Ratio is less than .9

8. Debt to Asset Ratio

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report

Exceeds Standard	The school has met standard for 3 consecutive years, including the most recently completed school year. , OR † The school operates debt-free.
Meets Standard	The school's Debt to Asset Ratio is less than 0.9
Approaches Standard	The school's Debt to Asset Ratio is between 0.9. and 1.0

Does Not Meet
Standard

The school's Debt to Asset Ratio is greater than 1.0

9. Financial Compliance Rubric

Calculation: Total Liabilities divided by Total Assets

Data Source: Annual Fiscal Audit Report, Desk Audit of Policies, Other Formal Notifications Received by School

Exceeds Standard	The school has met standard for 3 or more consecutive years, including the most recently completed school year .
Meets Standard	<ul style="list-style-type: none">● Accounting Practices: finances are managed in compliance with GAAP.● Financial Transparency: expenditures and contracts are posted on the school's site.● Internal Controls: the school's internal controls are compliant.
Approaches Standard	The school was informed of non-compliance with accounting practices, financial transparency, or internal controls, and prompt action to correct is in evidence.
Does Not Meet Standard	The school is operating under a notification of fiscal concern or a notification of possible or imminent closure OR †The school was informed of non-compliance with accounting practices, financial transparency, or internal controls and the issues were not corrected within 30 days.

ADDITIONAL ACADEMIC MEASURES FOR ALTERNATIVE SCHOOLS

Alternative School Measures

1. Math Content Mastery
2. ELA Content Mastery
3. Progress Toward Graduation
4. College and Career Readiness- Alternative

1. MATH CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the PCSCIPCSC understand their school's academic outcomes.

Idaho graduation requirements only require math to be taken in three of the four years of high school. Alternative schools structure this requirement differently. For the purposes of this measure, the total number of continuously enrolled students will exclude students enrolled in a grade for which the school does not require math to be taken.

Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR The percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements OR successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or OR Successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or OR Successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

2. ELA CONTENT MASTERY

Note: This measure will be considered in addition to the standard proficiency measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the [PCSC/IPCSC](#) understand their school's academic outcomes.

Exceeds Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% above the school's percentage in the previous year, OR † The percentage in the current year is greater than 80%.
Meets Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements <u>OR</u> or sSuccessfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is equal to or up to 10% greater than the school's percentage in the previous year.
Approaches Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or <u>OR</u> S successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is below, but no more than 10% below, the school's percentage in the previous year.
Does Not Meet Standard	The percentage of continuously enrolled students who have either already completed all ELA/Math graduation requirements or <u>OR</u> s Successfully earned credit for the equivalent of 1 year of instruction in the discipline (ELA or Math) is more than 10% below the school's percentage in the previous year.

3. 9-12 PROGRESS TOWARD GRADUATION

Note: This measure will be considered in addition to the standard growth measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the **PCSCIPCSC** understand their school's academic outcomes.

For the purpose of this measure, a quarter of instructional enrollment will be calculated based on the number of instructional days reported and may be further modified by mutual agreement of the school and the **IPCSCIPCSC** based on the alternative school's course completion structure.

Exceeds Standard	<p><u>More than 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter.</u></p> <p>The percentage of students who either completed 3 credits for every 45 days enrolled (if enrolled for at least 45 days, but not continuously enrolled), or completed 11.5 credits (if continuously enrolled) is more than 10% above the school's percentage in the previous year, OR the percentage in the current year is greater than 80%.</p>
Meets Standard	<p><u>Between 65% and 75% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter falls ,</u> <u>OR</u> <u>this percentage is less than 65% BUT at least 5% greater than in the previous year.</u></p> <p>The percentage of students who either completed 3 credits for every 45 days enrolled (if enrolled for at least 45 days, but not continuously enrolled), or completed 11.5 credits (if continuously enrolled) is equal to or up to 10% greater than the school's percentage in the previous year.</p>
Approaches Standard	<p><u>Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is between 3% and 5% greater than the previous year.</u></p> <p>The percentage of students who either completed 3 credits for every 45 days enrolled (if enrolled for at least 45 days, but not continuously enrolled), or completed 11.5 credits (if continuously enrolled) is below, but no more than 10% below the school's percentage in the previous year.</p>

Does Not Meet Standard	<p><u>Less than 65% of students enrolled in the alternative program earned 2.9 credits for every instructional quarter for which the student was enrolled for 90% of the days in that instructional quarter AND this percentage is less than 3% greater than in the previous year.</u></p> <p><u>The percentage of students who either completed 3 credits for every 45 days enrolled (if enrolled for at least 45 days, but not continuously enrolled), or completed 11.5 credits (if continuously enrolled) is more than 10% below the school's percentage in the previous year.</u></p>
------------------------	--

4. COLLEGE AND CAREER READINESS – ALTERNATIVE

Note: This measure will be considered in addition to the standard college and career readiness measure for schools classified as alternative. Non-alternative schools may include this measure as a mission specific goal, in addition to the standard measures, if they feel this data would help the **PCSCIPSC** understand their school’s academic outcomes.

Exceeds Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% above the school’s percentage in the previous year, OR † The percentage in the current year is greater than 75%.
Meets Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is equal to or OR u Up to 10% greater than the school’s percentage in the previous year.
Approaches Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is below, but no more than 10% below the school’s percentage in the previous year.
Does Not Meet Standard	The percentage of the not continuously enrolled students who were enrolled for at least 45 days and were eligible to graduate in the same academic year (plus summer) who graduated is more than 10% below the school’s percentage in the previous year.

Year	Legal Name	Grades Served	Alternative School Math Mastery	Alternative School ELA Mastery	Alternative School Progress Toward Graduation	Alternative School Additional Graduation	Notes
2020-2021	ELEVATE ACADEMY	6-12	20.00%	38.20%	4.42%	NA	This school is in its 3rd year of operations and has only had 1 year of data. This school will improve as it becomes established.
2020-2021	EMPOWER CONNECTIONS ACADEMY (Ins	6-12	10.87%	14.49%	N_Size	N_Size	the proposed shift to instructional days from calendar days in the progress toward graduation measure will result in a more accurate read.
2020-2021	IDAHO CONNECTS ONLINE ALTERNATIVE	6-12	24.00%	24.69%	7.80%	N-Size	These numbers include students who are enrolled temporarily and with medically limited courseloads. As these students carry an additional indicator in state reports, we have agreed to factor these students out of the calculations going forward.
2020-2021	INSIGHT SCHOOL OF IDAHO (Idaho Virtua	6-12	74.00%	52.22%	34.45%	32.56%	the proposed shift to instructional days from calendar days in the progress toward graduation measure will result in a more accurate read.
2020-2021	ISUCCEED ACADEMY (iSucceed Virtual Hi	7-12	24.00%	63.81%	N_Size	17.39%	the proposed shift to instructional days from calendar days in the progress toward graduation measure will result in a more accurate read.
2020-2021	KOOTENAI BRIDGE ACADEMY	9-12	55.42%	76.41%	48.28%	40.24%	the proposed shift to instructional days from calendar days in the progress toward graduation measure will result in a more accurate read.
2020-2021	RICHARD MCKENNA CHARTER SCHOOL -	9-12	62.86%	68.52%	20.77%	19.67%	the proposed shift to instructional days from calendar days in the progress toward graduation measure will result in a more accurate read.

Please provide any *strengths* with the proposed performance framework updates.	Please provide any *challenges* with the proposed performance framework updates.	Please provide any feedback regarding both of the proposed IPCSC performance frameworks, not covered in questions 3 and 4 responses.	If you would like to be contacted by an IPCSC staff member via a phone call, please leave contact information below	Submit Date (UTC)
Clarity is improved. Change in enrollment vs use of ADA is helpful.				2/28/2022 15:37 2/28/2022 15:18
Thank you for continually looking at PF and its effects on charter school oversight	None	Thank you for all you continue to do to support our schools.		2/25/2022 16:05
Appreciate the updates to Exceeds Standard under Board Governance & expanded Exceeds Standard options under Academics	None WE don't see any challenges	None		2/25/2022 15:58 2/25/2022 15:56 2/24/2022 21:10 2/22/2022 23:33 2/22/2022 22:56

VII. FINANCIAL MANAGEMENT

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §67-3502 – Agency Budget Request Timeline
SBE Policy Section V.B.1.a – Budget Submission, Agencies Under SBE Governance

BACKGROUND

Idaho Code establishes that agency budget requests for FY24 are due to the Division of Financial Management (DFM) no later than September 1, 2022.

State Board of Education (SBE) policy establishes that the SBE is responsible for submission of budget requests for the institutions and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the SBE will be submitted. The SBE reviewed institution and agency budgets at its regularly scheduled June meeting. The established deadline for submission is thirty-five (35) days prior to the meeting.

DISCUSSION

The financial workbook included in these materials consists of the following tabs:

1. FY22 Budget to Actuals Summary
2. FY22 Cash Flow YTD
3. FY23 Budget Summary
4. FY24 Budget Request

Director Thompson will provide a review of FY22, FY23, and FY24. Mr. Olson will be available to answer specific questions.

FY22 Notes:

The IPCSC's Finance Manager, Mr. Olson, has begun the close-out process for FY22.

FY23 Notes:

The IPCSC approved the FY23 budget on June 10, 2021. The agency's FY23 appropriation bill (HB725) was signed into law on March 22, 2022.

Current IPCSC policy requires Commission approval for any adjustments over \$10,000. The IPCSC Director is requesting approval to add \$12,000 to the currently budgeted FY23 personnel costs. These funds would be used to hire a 1-year temporary position specifically to provide support to the Financial Program Manager during a gap year while we pursue approval to add the position full-time in FY24. The cost is reflected in the budget documents in these materials.

FY24 Notes:

The agency's FY24 budget request accounts for two additional FTE and the corresponding growth in office space.

IMPACT

If the IPCSC approves the FY23 budget adjustment request, the Director will begin the process of posting the position for a July 1 start date. If the IPCSC does not approve the request, no action will be taken.

The IPCSC must approve the FY24 budget requests prior to the SBE submission date of May 11, 2022.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the IPCSC approve the request to amend the FY23 budget and approve the FY24 budget as presented.

COMMISSION ACTION 1 – FY23 Budget Adjustment

A motion to approve the additional expense of \$12,000 to the FY23 budget for the purpose of acquiring temporary part-time financial support for fiscal year 2023 only;

OR

A motion to deny the budget adjustment request.

COMMISSION ACTION 2 – FY24 Budget Approval

A motion to approve the FY24 budget as presented including the following line items:

1. An ongoing increase to the agency's general fund appropriation of \$100,000 to facilitate two additional FTE, bringing the agency's total FTE to 7 and the agency's general fund appropriation request for FY24 to \$282,400;
2. A one-time appropriation of \$25,000 from the general fund to facilitate agency moving costs and the associated capital outlay for furniture, fixtures, and equipment; and
3. An increase to the agency's dedicated fund of 20% over the FY23 dedicated fund appropriation, bringing agency's the total FY24 dedicated fund appropriation request to \$595,080.

OR

A motion to approve the FY24 budget with the following adjustments: [state adjustments by line number];

OR

A motion to deny the FY24 budget.

A	B	C	D	E	F	G	H
1	Idaho Public Charter School Commission FY22 Budget						
2	DEDICATED FUND (collection and carry over)						
3	FY21 Authorizer Fees Collected	\$371,494.43	I.C. 33-5208(8)				
4	FY21 Year End Dedicated Fund Balance	\$249,908.27					
5	FY21 Anticipated Year End Balance:	\$621,402.70					
6	FY23 APPROPRIATIONS - BILL # 1192						
7		Personnel	Operations	Total			
8	FY22 General Fund Appropriation	\$126,500.00	\$47,600.00	\$174,100.00			(reverts if unexpended)
9	FY22 Authorizer Fund Appropriation	\$371,900.00	\$86,800.00	\$458,700.00			(carries over)
10	Total Appropriation	\$498,400.00	\$134,400.00	\$632,800.00			Appropriation
11	FY22 Personnel Budgeted Expenditures	\$453,739.04	\$0.00	\$453,739.04			
12	FY22 Operations Budgeted Expenditures	\$0.00	\$141,475.00	\$141,475.00			
13	Total Budgeted Expenditures	\$453,739.04	\$141,475.00	\$595,214.04			Expenditures
14	Net Income	\$44,660.96	(\$7,075.00)	\$37,585.96			Net Income
15	EXPENDITURES BY CATEGORY						
16		Budgeted	YTD	Remaining		% YTD	
17	Payroll	\$453,739.04	\$286,573.16	\$167,165.88		63.16%	
18	Communication Services	\$5,150.00	\$64.47	\$5,085.53		1.25%	
19	Professional Development	\$4,460.00	\$3,777.73	\$682.27		84.70%	
20	Professional Services	\$24,000.00	\$8,000.00	\$16,000.00		33.33%	
21	Admin Services and Supplies	\$4,275.00	\$3,452.71	\$822.29		80.77%	
22	Computer Services	\$10,690.00	\$5,222.84	\$5,467.16		48.86%	
23	Computer Supplies	\$7,250.00	\$7,208.52	\$41.48		99.43%	
24	Travel	\$25,000.00	\$6,069.30	\$18,930.70		24.28%	
25	Rentals and Leases	\$18,650.00	\$15,495.91	\$3,154.09		83.09%	
26	Capital Outlay	\$7,000.00	\$7,575.95	-\$575.95		108.23%	
27	Non-State Employee Expense	\$35,000.00	\$30,899.88	\$4,100.12		88.29%	
28	Total Personnel Expenditures		\$286,573.16				
29	Total Operating Expenditures		87,767.31				
30	Total Expenditures YTD		374,340.47			62.89%	

A	B	C	D	E	F	G	H
1	FY22 EXPENDITURE DETAIL						
2	Charter School Commission						
3	Category	Budgeted	YTD	Remaining \$	% Expended		
4	Payroll						
5	Employee Salary	\$329,006.60	\$286,573.16	\$42,433.44	87.10%		
6	Commissioner Compensation	\$3,000.00		\$3,000.00	0.00%		
7	Employee Benefits	\$121,732.44		\$121,732.44	0.00%		
8	TOTAL	\$453,739.04	\$286,573.16	\$167,165.88	63.16%		
9	Communication Services						
10	Cisco VOIP Lines x 5	\$1,500.00	\$0.00	\$1,500.00	0.00%		
11	Global Meet Conference Calls	\$100.00	\$0.00	\$100.00	0.00%		
12	Postage	\$200.00	\$64.47	\$135.53	32.24%		
13	Broadband Wireless Service (Cisco)	\$2,000.00	\$0.00	\$2,000.00	0.00%		
14	Zoom Pro x5 accounts +1 webinar	\$1,150.00	\$0.00	\$1,150.00	0.00%		
15	Communication Media Services	\$200.00	\$0.00	\$200.00	0.00%		
16	TOTAL	\$5,150.00	\$64.47	\$5,085.53	1.25%		
17	Professional Development						
18	Summit on Ed. Annual Conference (Commissioner)	\$0.00	\$0.00	\$0.00	0.00%		
19	NACSA or NAPCS Conferences (3 staff/year)	\$0.00	\$0.00	\$0.00	0.00%		
20	IASBO Conference and membership (Erik)	\$550.00	\$550.00	\$0.00	100.00%		
21	ISBA Annual Convention (all staff +2 commissioners)	\$2,500.00	\$2,650.00	(\$150.00)	106.00%		
22	Idaho Ed Rules & Law Books	\$320.00	\$362.79	(\$42.79)	113.37%		
23	Misc. Training/Supplies (Mel @ FACES)	\$1,000.00	\$125.00	\$875.00	12.50%		
24	Edweek Subscription	\$90.00	\$89.94	\$0.06	99.93%		
25	TOTAL	\$4,460.00	\$3,777.73	\$682.27	84.70%		
26	Professional Services						
27	Appeals Contingency	\$8,000.00	\$0.00	\$8,000.00	0.00%	Appeal Legal Fees	
28	Oversight Contingency	\$8,000.00	\$0.00	\$8,000.00	0.00%	Closure costs	
29	PR Services	\$0.00	\$0.00	\$0.00	0.00%		
30	MOU with OSBE for Services	\$8,000.00	\$8,000.00	\$0.00	100.00%		
31	TOTAL	\$24,000.00	\$8,000.00	\$16,000.00	33.33%		
32	Administrative Services and Supplies						
33	Ricoh - copy costs per page	\$750.00	\$446.13	\$303.87	59.48%		
34	Printing Services	\$500.00	\$0.00	\$500.00	0.00%		
35	Employee Background Check	\$25.00	\$21.60	\$3.40	86.40%		
36	Office Supplies	\$3,000.00	\$2,984.98	\$15.02	99.50%	includes mic/speaker:	
37	TOTAL	\$4,275.00	\$3,452.71	\$822.29	80.77%		
38	Computer Services						
39	Asana Project Mgmt Software	\$375.00	\$834.69	(\$459.69)	222.58%		
40	Typeform Survey Tool	\$425.00	\$420.00	\$5.00	98.82%		
41	OnBoard	\$3,500.00	\$3,326.40	\$173.60	95.04%		
42	Graphic Design Tool	\$350.00	\$0.00	\$350.00	0.00%		
43	Constant Contact	\$540.00	\$180.00	\$360.00	33.33%		
44	MS365	\$750.00	\$461.75	\$288.25	61.57%		
45	Adobe DC w/ e-sign	\$1,000.00	\$0.00	\$1,000.00	0.00%		
46	Citrix Sharefile	\$250.00	\$0.00	\$250.00	0.00%		
47	Infrastructure	\$3,500.00	\$0.00	\$3,500.00	0.00%		
48	TOTAL	\$10,690.00	\$5,222.84	\$5,467.16	48.86%		
49	Computer Supplies						
50	Hardware Reserve	\$7,250.00	\$7,208.52	\$41.48	99.43%	3 computers	
51	TOTAL	\$7,250.00	\$7,208.52	\$41.48	99.43%		
52	Travel						
53	In-State Commission	\$10,000.00	\$4,033.25	\$5,966.75	40.33%		
54	Out-of-State Commission	\$2,500.00	\$0.00	\$2,500.00	0.00%		
55	In-State Staff	\$10,000.00	\$2,036.05	\$7,963.95	20.36%		
56	Out-of-State Staff	\$2,500.00	\$0.00	\$2,500.00	0.00%		
57	TOTAL	\$25,000.00	\$6,069.30	\$18,930.70	24.28%		
58	Rentals and Leases						
59	Facilities Service: Office Rent	\$14,257.00	\$14,256.90	\$0.10	100.00%		
60	Facilities Services: Meeting Rooms	\$1,000.00	\$562.77	\$437.23	56.28%		
61	Trade Show	\$2,000.00	\$0.00	\$2,000.00	0.00%		
62	Ricoh - Copier Lease	\$1,393.00	\$676.24	\$716.76	48.55%		
63	TOTAL	\$18,650.00	\$15,495.91	\$3,154.09	83.09%		
64	Non-Agency Employee Expenses						
65	Office of Administrative Rules	\$1,200.00	\$0.00	\$1,200.00	0.00%		
66	SWCAP	\$35,000.00	\$30,899.88	\$4,100.12	88.29%		
67	TOTAL	\$35,000.00	\$30,899.88	\$4,100.12	88.29%		
68	Capital Outlay						
69	Capital Outlay	\$7,000.00	\$7,575.95	(\$575.95)	108.23%	furniture and cubicles:	
70	TOTAL	\$7,000.00	\$7,575.95	(\$575.95)	108.23%		
71	Total	\$595,214.04	\$374,340.47	\$638,213.00			

1 YEAR-TO-DATE		24325	\$503,057.66															
2 Balance through 11-12-21																		
3																		
4	Category	Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	Total Remaining		
5	PERSONNEL																	
6	GF - 24449 Salary and Benefits	\$126,500.00													\$122,621.63	\$3,878.37		
7	DF - 24325 Salary and Benefits	\$455,200.00													\$163,951.53	\$291,248.47		
8	Total Personnel	\$581,700.00													\$286,573.16	\$295,126.84		
9																		
10	OPERATIONS																	
11	Communications																	
12	Conference Calls	\$100.00													\$0.00	\$100.00		
13	Cisco VOIP Phone lines (5)	\$1,500.00													\$0.00	\$1,500.00		
14	Postage	\$200.00													\$64.47	\$135.53		
15	Broadband Wireless	\$2,000.00													\$0.00	\$2,000.00		
16	Zoom Pro+Webinar	\$1,150.00													\$0.00	\$1,150.00		
17	Media Communication Services	\$200.00													\$0.00	\$200.00		
18		\$5,150.00													\$64.47	\$5,085.53		
19	Professional Development																	
20	Summit on Ed. Annual Conference	\$0.00													\$0.00	\$0.00		
21	ISBA Conference	\$2,500.00													\$2,650.00	(\$150.00)		
22	IASBO	\$175.00													\$550.00	(\$375.00)		
23	NAPCS Conference	\$0.00													\$0.00	\$0.00		
24	Idaho Ed Rules Books	\$320.00													\$362.79	(\$42.79)		
25	Legislative Directory	\$0.00													\$0.00	\$0.00		
26	Misc Training/Supplies	\$1,000.00													\$125.00	\$875.00		
27	Education Week subscription	\$90.00	\$89.94													\$89.94	\$0.06	
28		\$4,085.00													\$3,777.73	\$307.27		
29	Professional Services																	
30	Appeals Contingency	\$8,000.00													\$0.00	\$8,000.00		
31	Oversight Contingency	\$8,000.00													\$0.00	\$8,000.00		
32	MOU w/ OSBE for services	\$8,000.00	\$8,000.00													\$8,000.00	\$0.00	
33		\$24,000.00													\$8,000.00	\$16,000.00		
34	Admin Services																	
35	Ricoh - Copies per page	\$750.00	\$69.51	\$41.95	\$51.65	\$95.91	\$28.12	\$63.10	\$40.88	\$55.01						\$446.13	\$303.87	
36	Printing Services	\$500.00													\$0.00	\$500.00		
37	Employee background check	\$25.00													\$21.60	\$3.40		
38		\$1,275.00													\$446.13	\$803.87		
39	Computer Services																	
40	ASANA	\$375.00													\$834.69	(\$459.69)		
41	Typeform	\$425.00													\$420.00	\$5.00		
42	Constant Contact	\$540.00													\$180.00	\$360.00		
43	Canva	\$350.00													\$0.00	\$350.00		
44	Adobe Sign	\$1,000.00													\$0.00	\$1,000.00		
45	Citrix ShareFile	\$250.00													\$0.00	\$250.00		
46	OnBoard	\$3,500.00													\$3,326.40	\$173.60		
47	Microsoft 365	\$750.00													\$461.75	\$288.25		
48	Infrastructure	\$3,500.00													\$0.00	\$3,500.00		
49		\$10,690.00													\$5,222.84	\$5,467.16		
50	Travel																	
51	In State Commissioners	\$20,000.00	\$650.67	\$493.22	\$806.69	\$85.47	\$849.09	\$1,807.49	\$1,132.87	\$92.70	\$151.10						\$4,033.25	\$13,930.70
52	In State PCSC Staff	\$20,000.00													\$2,036.05	\$17,963.95		
53	Out of State	\$5,000.00													\$0.00	\$5,000.00		
54	Out of State PCSC Staff	\$25,000.00													\$0.00	\$25,000.00		
55		\$25,000.00													\$6,069.30	\$18,930.70		
56	Supplies																	
57	Office Supplies	\$3,000.00													\$2,984.98	\$15.02		
58	Furniture	\$7,000.00	\$7,575.95	\$240.92	\$75.00	\$319.01	\$237.05	\$2,046.00	\$67.00						\$7,575.95	(\$75.95)		
59		\$10,000.00													\$10,560.93	(\$560.93)		
60	Computer Supplies																	
61	Hardware Reserve	\$7,250.00													\$7,208.52	\$41.48		
62		\$7,250.00													\$7,208.52	\$41.48		
63	Rentals and Leases																	
64	Office Rent	\$14,257.00													\$14,256.90	\$0.10		
65	Meeting Rooms	\$1,000.00													\$562.77	\$437.23		
66	Copier Lease	\$1,393.00	\$84.53	\$84.53	\$84.53	\$84.53	\$84.53	\$84.53	\$84.53	\$84.53	\$84.53					\$676.24	\$716.76	
67	Trade Show	\$2,000.00													\$0.00	\$2,000.00		
68		\$18,650.00													\$15,495.91	\$3,154.09		
69	Non-State Employees Expense/ Misc.																	
70	Office of Administrative Rules	\$1,200.00													\$0.00	\$1,200.00		
71	SWCAP Costs	\$35,000.00													\$30,899.88	\$4,100.12		
72		\$36,200.00													\$30,899.88	\$5,300.12		
73																		
74	Total Monthly Expenditures	\$142,300.00	\$16,470.60	\$860.62	\$43,434.90	\$3,316.23	\$1,810.54	\$2,154.34	\$3,304.28	\$8,086.18	\$1,121.10	\$7,208.52	\$0.00	\$0.00	\$87,745.71	\$54,529.29		
75																		
76	Operational Expenditures YTD		\$16,470.60	\$17,331.22	\$60,766.12	\$64,082.35	\$65,892.89	\$68,047.23	\$71,351.51	\$79,437.69	\$80,558.79	\$87,767.31	\$87,767.31	\$87,767.31	\$87,767.31	\$54,532.69		
77																		
78																		
79		24449	\$8,894.65	\$860.62	\$12,535.02	\$3,230.76	\$150.00								\$25,671.05	\$21,928.95		
80		24325	\$7,575.95		\$30,899.88										\$38,475.83	\$520,024.17		
81			\$16,470.60	\$860.62	\$43,434.90	\$3,230.76	\$150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				

A	B	C	D	E	F	G
1	Idaho Public Charter School Commission FY23 Budget					
2	DEDICATED FUND (collection and carry over)					
3	FY22 Authorizer Fees Collected	\$532,544.65	I.C. 33-5208(8)			
4	FY22 Year End Dedicated Fund Balance	\$200,288.66		112 days cash on hand		
5	FY22 Anticipated Year End Balance:	\$732,833.31				
6	FY23 APPROPRIATIONS - BILL # 725					
7		Personnel	Operations	Total		
8	General Fund	\$134,800.00	\$47,600.00	\$182,400.00	(reverts if unexpended)	
9	Authorizer Fees	\$394,600.00	\$101,300.00	\$495,900.00	(carries over)	
10	Total Appropriation	\$529,400.00	\$148,900.00	\$678,300.00	Appropriation	
11	FY23 Personnel Budgeted Expenditures	\$497,051.00	\$0.00	\$497,051.00		
12	FY23 Operations Budgeted Expenditures	\$0.00	\$156,553.00	\$156,553.00		
13	Total Budgeted Expenditures	\$497,051.00	\$156,553.00	\$653,604.00	Expenditures	
14	Net Income	\$32,349.00	(\$7,653.00)	\$24,696.00	Net Income	
15	EXPENDITURES BY CATEGORY					
16		Budgeted	YTD	Remaining	% YTD	
17	Payroll	\$497,051.00	\$0.00	\$497,051.00	0.00%	
18	Communication Services	\$5,150.00	\$0.00	\$5,150.00	0.00%	
19	Professional Development	\$10,670.00	\$0.00	\$10,670.00	0.00%	
20	Professional Services	\$30,000.00	\$0.00	\$30,000.00	0.00%	
21	Admin Services and Supplies	\$4,250.00	\$0.00	\$4,250.00	0.00%	
22	Computer Services	\$11,690.00	\$0.00	\$11,690.00	0.00%	
23	Computer Supplies	\$7,250.00	\$0.00	\$7,250.00	0.00%	
24	Travel	\$25,000.00	\$0.00	\$25,000.00	0.00%	
25	Rentals and Leases	\$26,443.00	\$0.00	\$26,443.00	0.00%	
26	Capital Outlay	\$100.00	\$0.00	\$100.00	0.00%	
27	Non-State Employee Expense	\$36,000.00	\$0.00	\$36,000.00	0.00%	
28	Total Personnel Expenditures		\$0.00			
29	Total Operational Expenditures		\$0.00			
30	Total Expenditures	\$653,604.00	0.00		0.00%	

A	B	C	D	E	F	G	H
1	FY23 EXPENDITURE DETAIL						
2	Charter School Commission						
3	Category	Budgeted	YTD	Remaining \$	% Expended		
4	Payroll						
5	Employee Salary	\$366,746.95		\$366,746.95	0.00%		assumes 5% CEC
6	Commissioner Compensation	\$3,000.00		\$3,000.00	0.00%		
7	Employee Benefits	\$127,304.05		\$127,304.05	0.00%		
8	TOTAL	\$497,051.00	\$0.00	\$497,051.00	0.00%		includes 12K for finance intern
9	Communication Services						
10	Cisco VOIP Lines x 5	\$1,500.00		\$1,500.00	0.00%		
11	Global Meet Conference Calls	\$100.00		\$100.00	0.00%		
12	Postage	\$200.00		\$200.00	0.00%		
13	Broadband Wireless Service (Cisco)	\$2,000.00		\$2,000.00	0.00%		
14	Zoom Pro x5 accounts +1 webinar	\$1,150.00		\$1,150.00	0.00%		
15	Communication Media Services	\$200.00		\$200.00	0.00%		
16	TOTAL	\$5,150.00	\$0.00	\$5,150.00	0.00%		
17	Professional Development						
18	Summit on Ed. Annual Conference (Commissioner)	\$650.00		\$650.00	0.00%		
19	NACSA or NAPCS Conferences (3 staff/year)	\$2,500.00		\$2,500.00	0.00%		
20	IASBO Conference and membership (Erik)	\$550.00		\$550.00	0.00%		
21	ISBA Annual Convention (all staff +2 commissioners)	\$2,500.00		\$2,500.00	0.00%		
22	Tableau Training (Jared)	\$2,800.00		\$2,800.00	0.00%		new training
23	Idaho Ed Rules & Law Books	\$320.00		\$320.00	0.00%		
24	ITEA Conference (Jared, Mel, Jenn)	\$600.00		\$600.00	0.00%		
25	FACES Conference (Mel)	\$750.00		\$750.00	0.00%		
26	TOTAL	\$10,670.00	\$0.00	\$10,670.00	0.00%		
27	Professional Services						
28	Appeals Contingency	\$8,000.00		\$8,000.00	0.00%		will adjust based on FY22 actual costs
29	Oversight Contingency	\$8,000.00		\$8,000.00	0.00%		
30	PR Services	\$6,000.00		\$6,000.00	0.00%		
31	MOU with OSBE for Services	\$8,000.00		\$8,000.00	0.00%		
32	TOTAL	\$30,000.00	\$0.00	\$30,000.00	0.00%		
33	Administrative Services and Supplies						
34	Ricoh - copy costs per page	\$750.00		\$750.00	0.00%		
35	Printing Services	\$500.00		\$500.00	0.00%		
36	Office Supplies	\$3,000.00		\$3,000.00	0.00%		
37	TOTAL	\$4,250.00	\$0.00	\$4,250.00	0.00%		
38	Computer Services						
39	Asana Project Mgmt Software	\$375.00		\$375.00	0.00%		
40	Typeform Survey Tool	\$425.00		\$425.00	0.00%		
41	OnBoard	\$3,500.00		\$3,500.00	0.00%		
42	Graphic Design Tool	\$350.00		\$350.00	0.00%		
43	Constant Contact	\$540.00		\$540.00	0.00%		
44	MS365	\$750.00		\$750.00	0.00%		
45	Adobe DC w/ e-sign	\$1,000.00		\$1,000.00	0.00%		
46	Citrix Sharefile	\$250.00		\$250.00	0.00%		
47	Tableau	\$1,000.00		\$1,000.00	0.00%		new tool
48	Infrastructure	\$3,500.00		\$3,500.00	0.00%		
49	TOTAL	\$11,690.00	\$0.00	\$11,690.00	0.00%		
50	Computer Supplies						
51	Hardware Reserve	\$7,250.00		\$7,250.00	0.00%		
52	TOTAL	\$7,250.00	\$0.00	\$7,250.00	0.00%		
53	Travel						
54	In-State	\$20,000.00		\$20,000.00	0.00%		
55	Out-of-State	\$5,000.00		\$5,000.00	0.00%		
56	TOTAL	\$25,000.00	\$0.00	\$25,000.00	0.00%		
57	Rentals and Leases						
58	Facilities Service: Office Rent	\$22,050.00		\$22,050.00	0.00%		1500 Sq. Ft @ \$14.7 per
59	Facilities Services: Meeting Rooms	\$1,000.00		\$1,000.00	0.00%		
60	Trade Show	\$2,000.00		\$2,000.00	0.00%		
61	Ricoh - Copier Lease	\$1,393.00		\$1,393.00	0.00%		
62	TOTAL	\$26,443.00	\$0.00	\$26,443.00	0.00%		
63	Non-Agency Employee Expenses						
64	SWCAP	\$36,000.00		\$36,000.00	0.00%		
65	TOTAL	\$36,000.00	\$0.00	\$36,000.00	0.00%		
66	Capital Outlay						
67	Capital Outlay	\$100.00		\$100.00	0.00%		
68	TOTAL	\$100.00	\$0.00	\$100.00	0.00%		
69	Total	\$653,604.00	\$0.00	\$638,213.00			

A	B	C	D	E	F	G
1	Idaho Public Charter School Commission FY24 Budget					
2	DEDICATED FUND (collection and carry over)					
3	FY23 Authorizer Fees Collected	\$545,490.00	I.C. 33-5208(8)			
4	FY23 Year End Dedicated Fund Balance	\$261,629.31	113 days cash on hand			
5	FY23 Anticipated Year End Balance: \$807,119.31					
6	FY24 APPROPRIATIONS - BILL # TBD					
7		Personnel	Operations	Capital Outlay	Total	
8	General Fund	\$234,800.00	\$47,600.00	\$25,000.00	\$282,400.00 (reverts if unexpended)	
9	Authorizer Fees	\$446,310.00	\$148,770.00		\$595,080.00 (carries over)	
10	Total Appropriation	\$681,110.00	\$196,370.00	\$25,000.00	\$877,480.00 Appropriation	
11	Total Personnel Budgeted	\$632,100.15	\$0.00	\$0.00	\$632,100.15	
12	Total Operations Budgeted	\$0.00	\$187,953.00	\$0.00	\$187,953.00	
13	Total Capital Outlay Budgeted	\$0.00	\$0.00	\$25,000.00	\$25,000.00	
14	Total Budgeted Expenditures	\$632,100.15	\$187,953.00	\$25,000.00	\$845,053.15 Expenditures	
15	Net Income	\$49,009.85	\$8,417.00	\$0.00	\$32,426.85 Net Income Before Additional Line Items	
16	EXPENDITURES BY CATEGORY					
17		Budgeted	YTD	Remaining	% YTD	
18	Payroll	\$632,100.15	\$0.00	\$632,100.15	0.00%	
19	Communication Services	\$4,550.00	\$0.00	\$4,550.00	0.00%	
20	Professional Development	\$9,520.00	\$0.00	\$9,520.00	0.00%	
21	Professional Services	\$34,000.00	\$0.00	\$34,000.00	0.00%	
22	Admin Services and Supplies	\$4,300.00	\$0.00	\$4,300.00	0.00%	
23	Computer Services	\$12,190.00	\$0.00	\$12,190.00	0.00%	
24	Computer Supplies	\$10,000.00	\$0.00	\$10,000.00	0.00%	
25	Travel	\$28,000.00	\$0.00	\$28,000.00	0.00%	
26	Rentals and Leases	\$49,393.00	\$0.00	\$49,393.00	0.00%	
27	Capital Outlay	\$25,000.00	\$0.00	\$25,000.00	0.00%	
28	SWCAP	\$36,000.00	\$0.00	\$36,000.00	0.00%	
29	Total Personnel Expenditures		\$0.00			
30	Total Operational Expenditures		\$0.00			
31	Total Capital Outlay Expenditures		\$0.00			
32	Total Expenditures	\$845,053.15	0.00		0.00%	

Line Item Request #1: \$100,000 ongoing in GF - Personnel to provide for 2 additional FTE and the authority to staff at 7FTE. (See cell C8)

Line Item Request #2: 20% increase to the DF allocation over FY23 appropriation. See cell F9. This will put the highest school fees at \$12.5K after 10% discount. (10 yr average is 11.9K) (See cell F9)

Line Item Request #3: \$25,000 one-time in GF for capital outlay for FFE and costs of move (see cell E8)

A	B	C	D	E	F	G	H
1	FY24 EXPENDITURE DETAIL						
2	Charter School Commission						
3	Category	Budgeted	YTD	Remaining \$	% Expended		
4	Payroll						
5	Employee Salary	\$471,340.75		\$471,340.75	0.00%		
6	Commissioner Compensation	\$3,000.00		\$3,000.00	0.00%		
7	Employee Benefits	\$157,759.40		\$157,759.40	0.00%		
8	TOTAL	\$632,100.15	\$0.00	\$632,100.15	0.00%		accounts for office assistant going full time, 2 additional positions, and a 3% CEC across the board.
9	Communication Services						
10	Cisco VOIP Lines x 5	\$1,500.00		\$1,500.00	0.00%		
11	Global Meet Conference Calls	\$100.00		\$100.00	0.00%		
12	Postage	\$350.00		\$350.00	0.00%		
13	Broadband Wireless Service (Cisco)	\$1,250.00		\$1,250.00	0.00%		
14	Zoom Pro x5 accounts +1 webiner	\$1,150.00		\$1,150.00	0.00%		
15	Communication Media Services	\$200.00		\$200.00	0.00%		
16	TOTAL	\$4,550.00	\$0.00	\$4,550.00	0.00%		
17	Professional Development						
18	Summit on Ed. Annual Conference (Commissioner)	\$650.00		\$650.00	0.00%		
19	NACSA or NAPCS Conferences (3 staff/year)	\$2,600.00		\$2,600.00	0.00%		
20	IASBO Conference and membership (Erik)	\$550.00		\$550.00	0.00%		
21	ISBA Annual Convention (all staff +2 commissioners)	\$3,000.00		\$3,000.00	0.00%		
22	ITEA Conference (Jared/Mel)	\$400.00		\$400.00	0.00%		
23	Idaho Ed Rules & Law Books	\$320.00		\$320.00	0.00%		
24	Misc Training/Supplies	\$1,000.00		\$1,000.00	0.00%		
25	FACES Conference (Mel)	\$1,000.00		\$1,000.00	0.00%		
26	TOTAL	\$9,520.00	\$0.00	\$9,520.00	0.00%		
27	Professional Services						
28	Appeals Contingency	\$8,000.00		\$8,000.00	0.00%		
29	Oversight Contingency	\$8,000.00		\$8,000.00	0.00%		
30	Other Services (HR, PR, Etc.)	\$10,000.00		\$10,000.00	0.00%		New item due to facility location change.
31	MOU with OSBE for IT Services	\$8,000.00		\$8,000.00	0.00%		This may need to change due to facility location
32	TOTAL	\$34,000.00	\$0.00	\$34,000.00	0.00%		
33	Administrative Services and Supplies						
34	Ricoh - copy costs per page	\$800.00		\$800.00	0.00%		
35	Printing Services	\$500.00		\$500.00	0.00%		
36	Office Supplies	\$3,000.00		\$3,000.00	0.00%		
37	TOTAL	\$4,300.00	\$0.00	\$4,300.00	0.00%		
38	Computer Services						
39	Asana Project Mgmt Software	\$375.00		\$375.00	0.00%		
40	Typeform Survey Tool	\$425.00		\$425.00	0.00%		
41	OnBoard	\$4,000.00		\$4,000.00	0.00%		
42	Graphic Design Tool	\$350.00		\$350.00	0.00%		
43	Constant Contact	\$540.00		\$540.00	0.00%		
44	MS365	\$750.00		\$750.00	0.00%		
45	Adobe DC w/ e-sign	\$1,000.00		\$1,000.00	0.00%		
46	Citrix Sharefile	\$250.00		\$250.00	0.00%		
47	Tableau	\$1,000.00		\$1,000.00	0.00%		
48	Infrastructure	\$3,500.00		\$3,500.00	0.00%		
49	TOTAL	\$12,190.00	\$0.00	\$12,190.00	0.00%		
50	Computer Supplies						
51	Hardware Reserve	\$10,000.00		\$10,000.00	0.00%		5 computers, replaced every 5 years, plus reserve for office tech.
52	TOTAL	\$10,000.00	\$0.00	\$10,000.00	0.00%		
53	Travel						
54	In-State	\$22,500.00		\$22,500.00	0.00%		
55	Out-of-State	\$5,500.00		\$5,500.00	0.00%		
56	TOTAL	\$28,000.00	\$0.00	\$28,000.00	0.00%		
57	Rentals and Leases						
58	Facilities Service: Office Rent	\$40,500.00		\$40,500.00	0.00%		3,000 sq ft @ \$13.5/sq. ft.
59	Facilities Services: Meeting Rooms	\$2,500.00		\$2,500.00	0.00%		
60	Temporary Sattelite Office Space	\$3,000.00		\$3,000.00	0.00%		rented office space downtown for leg. Session as necessary
61	Trade Show	\$2,000.00		\$2,000.00	0.00%		
62	Ricoh - Copier Lease	\$1,393.00		\$1,393.00	0.00%		
63	TOTAL	\$49,393.00	\$0.00	\$49,393.00	0.00%		
64	SWCAP						
65	SWCAP	\$36,000.00		\$36,000.00	0.00%		
66	TOTAL	\$36,000.00	\$0.00	\$36,000.00	0.00%		
67	Capital Outlay						
68	Capital Outlay	\$25,000.00		\$25,000.00	0.00%		new employee tech, moving costs, and FFE
69	TOTAL	\$25,000.00	\$0.00	\$25,000.00	0.00%		
70	Total	\$845,053.15	\$0.00	\$638,213.00			

VIII. COMMISSION EDUCATION

APPLICABLE STATUTE, RULE, OR POLICY

NA

BACKGROUND

The IPCSC is increasingly encountering charter schools whose governing boards choose to partner with education services providers.

DISCUSSION

The following articles are included in these materials for discussion.

Carpenter, Brian L., Ph.D. (2007). A Short Course on Contracting with an Education Services Provider (ESP). *Charter School Board University: An Introduction to Effective Charter School Governance*. Second Edition. 149-154.

National Alliance of Public Charter Schools (2005). *Charting a Clear Course: A Resource Guide for Building Successful Partnerships Between Charter Schools and School Management Organizations*.
<https://www.publiccharters.org/publications/charting-clear>

SPEAKER

Commission Discussion

IMPACT

Information item only.

STAFF COMMENTS AND RECOMMENDATIONS

No comments or recommendations.

COMMISSION ACTION

No action.

A Short Course on Contracting with an Education Service Provider (ESP)

In many states, charter schools are permitted by law to contract all or part of operating the school to an outside, for-profit company sometimes referred to as a management company or an education service provider.⁴⁴ This contractual arrangement, while not exclusive to charter schools, is probably the reason some people erroneously believe that charter schools are private, for-profit schools funded at taxpayer expense.

There are many potential advantages in contracting operations with a management company, including the following:

- Because many management companies operate numerous schools, they don't need to reinvent the wheel on questions such as curriculum, assessment, and employee contracting.
- Some management companies have a track record of consistently producing very good student outcomes.
- Many management companies have access to startup operating capital.
- A few companies have the capability and capital to construct their own school facilities.

By failing to perform adequate due diligence, a few boards across the country have paid hefty sums of money to management companies only to see their charters revoked or not renewed.

Those advantages notwithstanding, because the contract between a charter school and a management company is potentially worth *millions of dollars over three to five years*, the board has an obligation to the taxpayers it represents to do its due diligence *before entering a contract with any management company*. By failing to perform adequate due diligence, a few boards across the country have paid hefty sums of money to management companies only to see their charters revoked or not renewed.

The difficulty in conducting due diligence is, of course, that management companies have negotiated contracts dozens or even hundreds of times. For many boards, such a contract is likely the first time anyone on the board has negotiated something so complex and worth so much. This dynamic results in what economist Steve D. Levitt calls, *asymmetric information*.⁴⁵ This term means that experts, such as those employed by management companies, usually have more information and experience than their clients--a factor that gives the expert a critical negotiating advantage.

This chapter is intended to reduce that asymmetric information advantage by suggesting questions the board should ask when considering contracting with a management company. These nine questions are not exhaustive, but they represent a good starting point for the board's due diligence process.

1. *How much will the school pay the management company for its services? And how does this fee compare with what other companies charge?* Some management companies charge flat fees, and others charge a percentage of the school's revenue. At least one company guarantees that the school will have enough money to cover all its costs for the first few years (using the company's capital if necessary)--but in exchange the company charges the school 100% of the school's entire state aid (less a small amount set aside for the board to use at its discretion). The board can only properly evaluate whether such an arrangement

This chapter is intended to reduce that asymmetric information advantage by suggesting questions the board should ask when considering contracting with a management company.

is equitable if it understands how much money the school would retain over the contract period if it didn't contract with the company. Some management companies may balk at such questions by the board, but you can bank on the management company calculating the projected profit *before they* enter any contract.

2. *Is there a penalty for terminating the contract early should the board not be happy with the company's performance?* A Louisiana school was ordered by an arbitrator to pay a large for-profit management company \$100,000 for early termination of the company's contract. Luckily, for the school, however, the arbitrator also ruled that the management company had to pay the school \$350,000 because the company "materially breached the Management Agreement and failed to remedy that breach within 30 days after written notice from [the school]."⁴⁶ Were it not for the arbitrator's ruling against the management company, the early termination fee might well have bankrupted the school.

3. *In the event that the board does terminate the contract (regardless of whether before, or at the end of the contract period), who will own the following things?*

- the curriculum
- the furniture (desks, filing cabinets)
- the computers
- the passwords to student files, voice mail accounts, and so on
- the building where school is held
- the name, mascot, and logo of the school
- the employment contracts for teachers and administrators
- the accumulated financial liabilities
- the school's fixtures (lockers, chalkboards, bleachers)

One board learned the answers when the moving van sent by the management company showed up to retrieve the desks. Obviously, that's not the best time to learn who gets the furniture if the relationship ends.

4. *Will the company provide the names and contact information of every other school operated by it?* You should contact a few of these to see how satisfied they are. Ask the board president if there were any unpleasant surprises after the contract began. How well were the conflicts resolved?
5. *Have any schools previously managed by the company ever failed to get their charter renewed or worse, had their charter revoked?* It's not necessarily a deal breaker, but the board should know if this has occurred and if so, why it happened. Obviously a pattern of such schools would constitute a legitimate board concern.
6. *Who will employ the school executive and how will he or she be replaced if he or she fails to meet the board's expectations?* Many management companies employ the school executive, making it difficult for the board to direct that individual. In some situations, the board has little recourse because the executive points to the company and says, "They won't allow such and such," or the board wants the executive replaced but the company objects. At least one state, South Carolina, has wisely and proactively required the school executive to be the board's employee, period. I think that is an excellent provision for any school board to consider.
7. *How is the financial auditor retained?* An audit is the board's assurance that management is handling school funds properly. Your board needs to ensure that its authority to retain its own auditor is clearly articulated in the contract. (And be sure to read Chapter 23 for an explanation of the term *independent auditor*.)

8. *Against what criteria is the management company to be evaluated?* The board's responsibility of ensuring that the proper student outcomes are achieved is not diminished in any way by contracting with a management company. This means that the board will continuously evaluate *how well* those outcomes are achieved. What outcomes are specified in the contract? (See again, the correct definition of an outcome in Chapter 11.)

9. *If operating loans are going to be made by the company to the school, what are the interest rates and repayment terms?* Because of cash flow difficulties at start up, management companies will sometimes make operating loans to the school. In other words, the management company carries the cost until the school receives its revenues. Such loans have a cost, however, and the board needs to make sure it is fair.

Other Considerations

Only *after* the board has diligently worked through the answers to the questions above, is it able to make an informed decision about whether to contract with a management company.

If your board doesn't have one or two members that have negotiated multimillion dollar contracts, I strongly recommend the board retain a knowledgeable consultant or an attorney who will professionally represent the interests of the board.

Once the board has contracted with a management company, however, the board has the same obligation as it would to a traditional management arrangement (in which it hires an executive), *to refrain from interfering in operational matters*. At the same time, the board must be focused on evaluating how well student outcomes are being achieved and that they are occurring within the framework of the board's policies.

The bottom line is this: Should the day arise when the board wishes to part paths with the management company, the board will be glad

that its due diligence was performed. There won't be any big surprises and the kids will likely continue to receive the education to which they are entitled. As with most things in charter schools, accountability for achieving the right outcomes while avoiding everything that should be avoided, rests with the board.

For Further Evaluation

Set aside 30 minutes in a board meeting to thoughtfully discuss the following questions:

1. If your board is considering contracting with a for-profit management company, has it successfully answered the questions in this chapter?
2. If your board is already contracting the operations of the school, is the board refraining from interfering with it?
3. How is your board evaluating student outcomes?
4. Are there performance issues management needs to resolve before your board renews its contract?
5. To whom does your board turn for expert advice completely independent of the interests of the management company?

▶ Additional Resources

The National Alliance for Public Charter Schools published an excellent guide, now in its second edition, titled, *Charting a Clear Course: A Resource Guide for Building Successful Partnerships Between Charter Schools and School Management Organizations*, written by Bryan Hassel and Margaret Lin. This guide is a *must read* for any board considering contracting with a management company. It is available free of charge on the Alliance's Web site. The link to the guide is <http://www.publiccharters.org/node/322>.

Charting a Clear Course

A Resource Guide for Building Successful Partnerships between Charter Schools and School Management Organizations

October 2005
(Reprint of the Second Edition, 2001)



National Alliance for
Public Charter Schools

October 2005

Dear Friends,

Of all the decisions made by boards of public charter schools, few are more important than deciding whether to contract for school management services. Choosing well requires balancing multiple considerations of finance, accountability, personnel, and public relations. Since the achievement and well-being of children hang in the balance, a helping hand is clearly needed.

That's why the National Alliance for Public Charter Schools is pleased to provide this updated reprint of *Charting a Clear Course*, originally published in 2001 by the former Charter Friends National Network and still an authoritative resource.

Charting provides evenhanded, user-friendly advice for those considering contracting for charter school management. It shines a clear light on the nuts and bolts of school/management relationships. Whether a charter school is looking at comprehensive school designs, for-profit providers, or the growing array of non-profit charter management options, this publication provides clear, step-by-step guidance.

We appreciate the reprint permission granted to us by the authors, Bryan Hassel and Margaret Lin, and by Jon Schroeder, who headed the Charter Friends National Network and continues to serve our movement through his work at Education/Evolving and his service on the Alliance's board.

Please visit our web site at www.PublicCharters.org for additional publications, resources and news on issues surrounding public charter schools today.

Sincerely,

Nelson Smith
President

WHO CAN BENEFIT FROM *CHARTING A CLEAR COURSE*?

This resource guide is the second edition of *Charting a Clear Course*. Those who have already read the first edition will find several new elements to this version, including:

- ◆ boxed “scenarios” that provide examples of challenging issues that arise in school management arrangements;
- ◆ an expanded and revised section on Pre-Contracting Considerations (p. 5), with more information about how to “shop” effectively for a contractor and how the Internal Revenue Service scrutinizes school management contracts;
- ◆ a new section on Contingency Planning for New Management (p. 74), which discusses the transition from one management contractor to another arrangement in the event the initial partnership proves unworkable;
- ◆ a checklist (p. 79) of important issues to address in management contracts.

In addition to charter school boards seeking to contract for school management, other groups that may benefit from the information and perspectives in *Charting a Clear Course* include:

- ◆ schools contracting for substantial educational services without comprehensive management, such as educational programming and design;
- ◆ school management organizations and other educational service providers;
- ◆ charter school authorizing agencies overseeing charter school contracts with educational service providers;
- ◆ public educational agencies contracting directly with school management organizations.

TABLE OF CONTENTS

Who Can Benefit from <i>Charting a Clear Course?</i>	ii
TABLE OF CONTENTS	iii
BACKGROUND AND EXECUTIVE SUMMARY	v
Key Issues, Questions and Options	v
ACKNOWLEDGMENTS	vii
I. INTRODUCTION	1
II. PRE-CONTRACTING CONSIDERATIONS	5
A. The Landscape of Contracting for Educational Services	6
1. Comprehensive or Customized School Management	6
2. Comprehensive School Design without Management Services	7
3. Selective Educational Services: “Made-to-Order”	8
B. The Value of “Shopping Around”	8
C. Clarifying the Board’s Position and Overall Responsibilities	14
1. Structuring the relationship	14
2. Responsibility for holding the contractor accountable	15
3. Possibility of staffing the board	15
4. Independence and integrity of charter school boards	15
5. Recognition of the authority of the school’s charter contract	16
6. Community vs. corporate identity	16
7. The “right” time to hire a management contractor	17
Federal Tax Exemption and Contracting for Management Services	18
III. ROLES AND RESPONSIBILITIES	23
A. Legal Compliance	27
B. Hiring, Firing and Supervising the School Director	29
C. Subcontracting	33
IV. CONTRACT DURATION, RENEWAL & TERMINATION	35
A. Termination for Cause	38
B. Termination without Cause	39
C. Other Termination Issues	39
V. PERFORMANCE OVERSIGHT AND EVALUATION	43
A. The First Step: Clarifying the Relationship and Responsibility for Oversight	43
B. Developing an Accountability Agreement with an Educational Service Provider	44

C. Other Matters to Address in Contracts for Educational Services.....	50
VI. COMPENSATION AND FINANCES	55
A. Allocation	55
B. Budget	56
C. Compensation.....	57
D. Deficits and Surpluses.....	63
E. Financial Oversight.....	63
F. Debts	65
VII. PROPERTY	67
A. Intellectual Property	67
B. Physical Property.....	70
VIII. CONTINGENCY PLANNING FOR NEW MANAGEMENT.....	74
VIII. CONCLUSION	78
CHECKLIST OF IMPORTANT PROVISIONS TO INCLUDE IN SCHOOL MANAGEMENT AGREEMENTS.....	79
ABOUT THE AUTHORS	84

BACKGROUND AND EXECUTIVE SUMMARY

As the charter school option has expanded across the country, contracting for educational management services is an increasingly available and attractive choice for charter school governing boards and founding groups. At the same time, contracting for management services that may determine the success or failure of a performance-based public school is a weighty responsibility in a new, complex and often confusing arena. To date, charter leaders have tackled this challenge in isolation, lacking the opportunity to learn from the experiences of existing charter school management partnerships across the country. Not surprisingly, many charter boards and leaders have voiced a strong desire and need for this opportunity.

This resource guide is a partial response to that need. It is the product of extensive discussions among charter school founders, charter support organizations, school management organizations and chartering authorities on how best to support the growing role of contracted management in charter schools. In particular, two key meetings in 1998 that brought together national leaders in the charter school movement to explore this question inspired and helped to shape this publication. The seeds for this guide were planted in July 1998, when several state-level charter school resource centers that collaborate through the Charter Friends National Network convened a meeting at the national EdVentures Conference (sponsored by the Association of Educators in Private Practice) to discuss school contracting issues with charter and management company leaders. A follow-up meeting in October 1998, co-convened by Leadership for Quality Education and the Brookings Institution, elicited further ideas and strong support for the development of this guide.

In response to the needs and ideas articulated at these two meetings, the Charter Friends National Network contracted with two consultants, Bryan Hassel and Margaret Lin, to produce this resource guide. Both editions of this publication have benefited from the suggestions, critiques, and insights of dozens of leaders in the charter movement nationwide, including charter school trustees and administrators, executives of school management organizations, and charter authorizers.

Key Issues, Questions and Options

To make contractual relationships work well, charter school boards need to strike an effective balance between (1) fulfilling their public obligations to govern the school responsibly; and (2) giving contractors the freedom to handle school affairs without micro-management from the board.

Drawing on the experiences of charter schools nationwide, this resource guide aims to help charter school boards structure stable, productive relationships with school management organizations. It identifies key issues, highlights options, and presents questions to consider in areas such as:

- ◆ **Understanding the landscape of educational contracting.** In addition to finding a philosophical match, boards need to determine the scope and types of services that suit

their schools' needs – from “comprehensive” school management to more specifically tailored services.

- ◆ **Clearly defining roles and responsibilities** in areas such as curriculum and instruction, personnel, budgeting, compliance, student recruitment, fundraising and public relations.
- ◆ **Establishing clear guidelines for the duration, termination and renewal of the contract**, specifying the conditions under which the parties may terminate or renew the relationship.
- ◆ **Carefully structuring the evaluation of performance**, including:
 - clear, specific, measurable annual **goals** for student learning at all grade levels;
 - the **instruments and measures** that will be used to assess student learning;
 - **methods** and timelines for **oversight, evaluation, and intervention**.
- ◆ **Creating a clear understanding** regarding the management organization's **compensation and the school's financial affairs**, paying close attention to issues such as:
 - structuring the management organization's compensation;
 - setting and revising the school's annual budget;
 - overseeing the school's financial health;
 - handling surpluses, deficits, and debts to the management organization.
- ◆ **Making clear the ownership of physical and intellectual property** and how property will be divided if the contract is terminated for any reason.
- ◆ **Planning how to manage an orderly transition to new management** in the event the contract is terminated.

ACKNOWLEDGMENTS

The authors gratefully acknowledge the assistance of the many people who contributed ideas to this resource guide, including Anju Ahuja, Rinda Allison, John Ayers, Candace Browdy, Ken Campbell, David Chen, Bill DeLoache, Jim Ford, Mary Gifford, Jim Goenner, Scott Hamilton, Jane Hannaway, Paul Herdman, Erik Heyer, Paul Hill, Wayne Jennings, Ray Joseph, Jonathan Kamin, Ed Kirby, Ted Kolderie, Justin Label, Robin Lake, Emily Lawson, James Merriman, Bruno Manno, Christi Martin, Michelle Godard McNiff, Alex Medler, Nancy Young Moore, Jim Murphy, Joe Neri, Jennifer Niles, Paul O'Neill, Daniel Oscar, Larry Pierce, Peter Poulos, Eric Premack, Greg Richmond, Anita Ruiz, Jon Schnur, Jon Schroeder, Nelson Smith, Joshua L. Solomon, Joshua N. Solomon, Louis Steadwell, Robin Steans, Sarah Tantillo, Rajiv Vinnakota, Ellen Waldorf, Richard Wenning, and Cindy Zautcke.

Many of these individuals participated in an October 1998 seminar on school management contracting (sponsored by Leadership for Quality Education and the Brookings Institution) that provided key ideas for this resource guide and led to its development. Others provided sample contracts for our review, suggested issues to address, shared experiences and insights through interviews, or commented on drafts of this publication. Given the complexity of the issues addressed in this resource guide, differences in opinion naturally exist on many of the topics addressed in the following pages. The viewpoints expressed in this publication do not necessarily represent the opinions of these individuals, and any errors are our own.

I. INTRODUCTION

As the charter school option has expanded across the country, contracting for educational management services is an increasingly available and attractive choice for charter schools everywhere. Contracting for some level of school management services can be tremendously helpful for a charter school board faced with the simultaneous, often overwhelming challenges of operating a publicly accountable school, a start-up enterprise, and (in most states with charter legislation) a nonprofit corporation.

When chosen well, school management organizations can be instrumental in helping charter schools fulfill their missions. To be successful, however, management relationships between charter schools and external service providers must be clearly and carefully structured, genuinely performance-based, and built on precise alignment of purpose. Management contracts do not diminish the core responsibilities and ultimate accountability of charter school governing boards for the performance of their schools.

Management contracts do not diminish the core responsibilities and ultimate accountability of charter school governing boards for the performance of their schools.

Insufficient clarity in some of the relationships created between schools and such service providers to date has diminished or limited their success. In some cases, hiring a school management provider has led ineffective or poorly functioning charter school boards to neglect their responsibilities for school oversight.

At the other extreme, overly controlling boards may try to micro-manage their educational providers, with equally damaging results. In either case, imprecision or lack of clarity regarding critical issues such as the parties' roles, responsibilities, financial arrangements, and performance obligations and expectations can jeopardize the success – indeed the very survival – of newly opening charter schools.

The good news is that such problems can largely be avoided by good information, thoughtfulness and foresight in selecting a management contractor as well as negotiating the management agreement. It is critical to **strike an effective balance** – agreeing upon, clarifying and articulating at the outset the responsibilities, commitments and consequences for unsatisfactory performance by either party in the relationship.

This balance will ensure that both: (1) charter school boards fulfill their public obligations for overseeing their performance-based contract; and (2) contractors receive the needed freedom to operate and implement their program successfully, without undue interference or “micro-management” from school governing boards. Indeed, the following core principle of successful performance-based agreements should help guide the creation of partnerships between charter schools and management organizations: **In order to hold contractors accountable for performance, those contractors must receive proportionate *autonomy* and *authority* to execute their responsibilities as promised.**

This publication aims to be a resource tool to help charter schools achieve a stable balance, structuring productive relationships with a wide range of school management organizations and other educational service providers. Ideally, it will reduce confusion, disputes, or misunderstandings that may threaten school success or derail these otherwise promising partnerships. Ultimately, stronger relationships and clearer contractual agreements will benefit both charter schools and their chosen contractors.

This resource guide recognizes that school management organizations operate charter schools in a variety of contracting contexts – most commonly under contract with a school’s nonprofit corporate board, but sometimes under direct contract with a school district or other public chartering agency. All of these arrangements, however, presume and require the establishment of an arm’s-length, performance-based relationship with the school management contractor.

All of these arrangements presume and require the establishment of an arm’s-length, performance-based relationship with the school management contractor.

Charting a Clear Course raises common issues that have arisen across the country in contracting arrangements between charter schools and school management providers, noting important considerations and options for parties negotiating such partnerships. It is grounded in lessons learned from the contracting experiences of charter schools around the country and is informed by the critical perspectives of charter school boards, school management organizations, charter authorizers and technical assistance organizations, researchers, and consulting firms that have contributed to this publication.

This guide also draws heavily from a detailed review of 25 school management contracts involving nine private firms and three nonprofit school management organizations, from charter schools operating in eight charter jurisdictions.¹ In addition, it incorporates findings and lessons from extensive interviews with school management organization executives, charter authorizers in numerous states, and leaders and board members of 13 charter schools operating in seven states under contract with ten different management organizations.²

After an introductory chapter on pre-contracting considerations, this resource guide will turn to specific contracting provisions, offering examples from actual school management contracts to help charter boards evaluate the relative advantages and disadvantages of various options concerning:

- ◆ roles and responsibilities of charter boards and school management organizations;
- ◆ contract duration, renewal and termination;
- ◆ performance oversight and evaluation (with emphasis on educational performance);

¹ Arizona, California, the District of Columbia, Illinois, Massachusetts, Minnesota, Pennsylvania, and Texas.

² Many of these interviews were conducted by selected contributors, not the authors of this resource guide.

-
- ◆ compensation and finances;
 - ◆ intellectual property and physical assets.

Each chapter will include fictional scenarios to illustrate potential challenges or conflicts that charter school boards and management contractors realistically may face in these areas.³ The guide will end with a discussion of ways that charter boards can plan for the possibility – however remote or unpleasant to contemplate – of a contract termination.

This publication is not all-inclusive, nor does it intend to be prescriptive in its advice. Rather, it aims simply to offer information about various contracting options and considerations to help charter school boards become better-informed purchasers of school management services, in turn creating stronger, long-lasting partnerships between charter schools and management providers.

Many of the issues facing charter school boards in this position are standard in service contracting, and an attorney experienced in contract drafting and negotiations can serve boards well. At the same time, the experiences of charter schools across the country that have contracted for school management services to date reveal a host of complexities unique to this type of partnership. *Charting a Clear Course* aims to be a resource in helping charter school boards understand and thoughtfully navigate these challenges.

Charter boards should plan for the possibility – however remote or unpleasant to contemplate – of a contract termination.

Before delving into these issues, several points of clarification are in order:

- ◆ **Focus.** This resource guide is designed principally for charter school boards seeking to contract for comprehensive educational management services. At the same time, it will also be useful to schools contracting for substantial educational services without comprehensive management – for example, educational programming and design. For simplicity, however, this guide will frequently refer to service providers as school “management organizations,” “management companies,” or “management firms.” These terms are used loosely, and readers should keep in mind that the ideas and lessons discussed in these pages are frequently applicable to other educational service contracting contexts. (An overview of the service models available to charter schools appears in the “The Landscape of Contracting for Educational Services,” below.)
- ◆ **Terminology.** The educational management industry includes both for-profit and nonprofit organizations, and many charter schools contract for services from nonprofit providers. Service contracts with either for-profit or nonprofit organizations present many common issues; thus, this publication can be helpful to schools contemplating a partnership with either type of entity. The guide uses the terms “organizations,”

³ While aiming to be realistic, these scenarios are wholly fictional and are not intended to depict the experiences of any actual charter schools or service providers.

“companies,” and “firms” interchangeably. Readers should recognize that this terminology is broad, and that the issues or lessons discussed are often equally applicable to service contracting with both nonprofit and for-profit entities.

- ◆ **The board’s need for legal advice.** This guide does not purport or attempt to provide legal advice in negotiating a contract with a school management organization. On the contrary, this guide’s strongest recommendation overall is that charter school boards planning to contract for educational management services obtain legal counsel experienced in nonprofit governance and management, school law, and general contracting. Such counsel should serve and represent the charter board, and should thus be independent from counsel representing the contractor. This guide discusses contracting issues only in a general sense, drawing from lessons learned from various charter school contracting arrangements around the country. Specialized legal help is necessary to draft a solid, thoughtful contract tailored to different state laws and the needs of individual schools.

- ◆ **Learning from peers.** In addition, charter school boards contemplating contractual relationships with school management companies would likely benefit from studying a range of contracts that have been executed by other charter schools and management companies. These are public documents and can be obtained from charter schools that are operated by management organizations, as well as from charter-authorizing

Charter school boards planning to contract for educational management services should obtain legal counsel experienced in nonprofit governance and management, school law, and general contracting.

agencies, which usually keep such contracts on file. In addition, charter board members can benefit from talking directly to their peers in similar relationships. Charter school resource centers and other local or regional charter support organizations are good places to start in identifying charter schools that have had both successful and unsuccessful relationships with outside management organizations.

- ◆ **A word about contractual provisions quoted.** This resource guide occasionally quotes provisions from existing school management contracts that may offer helpful perspectives to other charter school boards. At the same time, their inclusion in this publication does not imply that they are necessarily useful for all schools, exemplary, or “airtight.” For this reason, the quotations should be considered “sample” rather than “model provisions” from actual contracts.

II. PRE-CONTRACTING CONSIDERATIONS

In establishing a partnership with a management provider, charter school boards must keep foremost in mind their **non-delegable responsibility** to establish and protect the school’s mission. Boards may not delegate away their responsibility for thoughtful, active oversight in a service-contracting relationship.

It is equally vital that boards allow sufficient **time** for research, planning and forging a strong partnership that will survive inevitable challenges. A long-term partnership with an educational service provider is akin to a marriage in many ways – detailed mutual understandings are a necessary foundation to avoid the high costs and frequently damaging effects of “divorce.” Accordingly, one of the greatest mistakes a charter board can make is to “rush to the altar,” spurred by neediness or a whirlwind “romance” with a potential partner.

Scenario: After the Whirlwind Courtship . . .

The founders of Sweetwater Charter Academy are teachers and parents committed to creating a school with a strong environmental focus. The teachers in the group plan to teach at the school and implement that vision. However, they lack financial resources and management experience, and only six weeks remain to file a charter application for a school to open next fall. Overwhelmed by this demanding timeframe and the difficulty of the charter application requirements in their school district, Sweetwater’s founding board decides to purchase a customized package of services from Open Skies Learning Systems to supplement the founders’ capacities. The two parties broadly agree that Open Skies will provide two-thirds of the core educational program, while the remaining third will be focused on environmental studies that Sweetwater’s founding teachers will develop. They agree to hash out the details of the two-pronged educational program after filing the charter application.

Sweetwater’s board decides to delegate most of the proposal preparation to Open Skies, trusting the company’s successful track record in preparing charter applications in other states. The proposal is submitted just in time without much review by the board.

In the weeks after filing the application, the board and Open Skies work on refining their agreement. At this point, clear conflicts surface between the environmental studies championed by Sweetwater’s founding teachers and the “core educational program” proposed by Open Skies. For example, the environmental program would take students off-site for an average of two days a week, which Open Skies insists would deprive students of adequate instructional time in Open Skies’ curriculum. The allocation of time is one of several educational disagreements that the school founders and Open Skies cannot resolve.

About a month before the charter authorizer is due to announce its decision on the application, several of Sweetwater’s board members tire of the endless wrangling with Open Skies and recommend dropping the partnership. Doing so, however, would require that Sweetwater withdraw its charter proposal and wait another year to re-submit without Open Skies.

In exploring possible arrangements, a key principle to keep in mind, as mentioned earlier, is the proportionate relationship between the **autonomy** and **authority** granted to a contractor and the level of performance **accountability** that can fairly be expected of the contractor. From a

management organization’s perspective, the greater the degree of accountability desired for its performance, the more freedom and control it will need over the school’s educational program, staff, budgeting, and other operations.

This chapter explores additional overarching matters that charter school boards should consider prior to contracting for educational services, including determining the type of services the board seeks and defining the charter board’s basic position and responsibilities in the contracting arrangement.

Scenario: Aligning Visions and Agreeing on the “Education Program”

Maple Hill Charter School and its comprehensive school management organization, Open Skies Learning Systems, have agreed that Open Skies will take charge of all aspects of Maple Hill’s education program. Maple Hill’s charter states that it will provide tutoring, enrichment activities, and social services in structured before- and after-school programs, and Maple Hill’s board considers these central to the school’s mission. In August before the school is to open, however, Open Skies announces that the before- and after-school programs will be cut because a major grant the school was counting on is unlikely to come through. Open Skies believes these programs are “extras” and can wait until the school secures additional funding for them. However, Maple Hill’s board argues that they are part of the core program, and that Open Skies must implement them by reallocating funds if necessary.

A. The Landscape of Contracting for Educational Services

The fast-growing educational services industry offers a broad range of options to charter schools. While this resource guide focuses on issues for schools choosing to contract for comprehensive management services, boards should be familiar with the range of choices available to them in order to find providers best-matched to their particular school needs.

The types and levels of services offered by educational service providers today can be loosely grouped under three general models: (1) comprehensive (and sometimes customized) school management; (2) comprehensive school designs *without* management services; and (3) selective or “made-to-order” educational services. Following is a brief description of each of these approaches. Readers should keep in mind that these categories are not rigid; for example, some comprehensive school management firms also offer customized or selective services, and are willing to negotiate varying service levels and packages with prospective partner schools.

1. Comprehensive or Customized School Management

Companies offering comprehensive school management services provide “soup-to-nuts” educational programming and management for schools, including (but not limited to):

- ◆ a firm, often research-based educational philosophy and design—including a detailed curriculum and pedagogical materials, grade-by-grade learning standards, and

assessment methods and tools—all of which are standardized across all schools operated by a particular organization;

- ◆ staff hiring and management—including recruiting, training, professional development, evaluation, and (if necessary) termination;
- ◆ student recruitment;
- ◆ school start-up capital and facilities financing assistance;
- ◆ business management and comprehensive administrative services;
- ◆ school operations management;
- ◆ facilities planning and management;
- ◆ special education services;
- ◆ reporting and compliance services.

Depending on the particular company and charter jurisdiction, staff in charter schools operated by comprehensive management firms may be employees of either the firm or the charter school itself. Even where the school is the legal employer, however, the education provider directs and manages the staff day-to-day. The firm provides a detailed educational program and design, and school staff must “buy into” and agree to implement the company’s educational model and pedagogical methods. The company provides training, professional development, and support; in turn, faculty members have relatively little freedom or responsibility to design or help develop the educational program.

Some management organizations are willing to “customize” their offerings – i.e., tailor their typical service package to accommodate the needs or priorities of client schools.

Some management organizations are willing to “customize” their offerings – i.e., tailor their typical service package to accommodate the needs or priorities of client schools. The customized approach offers more opportunity to the school founders, director, faculty, or the broader school community to modify or help develop the educational program, in combination with the management firm’s own offerings. Thus, a charter school board or founding organization that wishes to be involved in designing the school’s educational program may be able to modify or augment a contractor’s educational package with their own design elements (whether they are “home-grown” or obtained from another resource).

2. Comprehensive School Design without Management Services

A growing number of organizations, most (but not all) of them nonprofits, take a different approach. Like the model described above, “school design organizations” offer a comprehensive educational philosophy and design—including a detailed curriculum and pedagogical materials, grade-by-grade learning standards, assessment methods and tools, professional development and staff support. Unlike full-scale management organizations,

however, school design organizations typically refrain from activities such as hiring and supervising staff, managing facilities, performing accounting and other back-office operations, or arranging ancillary services such as school lunches and transportation. Instead, school design organizations usually focus all of their energy on helping schools implement a structured educational program (although some are beginning to work with affiliated providers to offer a broader menu of services).

Like management companies, school design organizations differ in the degree to which they insist on standardizing their approach across all the schools they serve – some are more tightly structured, others more willing to customize. Since the organizations do not take on management responsibilities, school staff are employed by the charter school, not the design organization.

3. Selective Educational Services: “Made-to-Order”

Still other educational management companies do not offer a “whole-school” educational model, but instead a broad menu of discrete services from which client schools can select those that meet their unique needs. Such services may include, for example: curriculum design, financial management, office management and “back-office” operations, special education services, reporting and compliance services, and other types of consulting.

With a “made-to-order” type of firm, the charter school contracts for selective services to meet the school’s particular needs, and the firm typically reports to both the principal (or director) and the school’s governing board. Under such an arrangement, school staff members are usually employed by the charter school, not the contractor.

B. The Value of “Shopping Around”

The array of business models outlined above demonstrates that charter school boards have many options among types and levels of services when seeking an educational service

There is no reason for charter schools to contract for more services than they actually want—or conversely, to go without any type of assistance that they need.

provider. With so many options available to them, charter schools can “shop around” for a service provider that will meet their needs and exact specifications and will be a high-quality long-term partner. There is no reason for charter schools to contract for more services than they actually want—or conversely, to go without any type of assistance that they need.

Partnerships with educational service providers will be thoughtfully conceived and stronger in the long run if

charter boards, at the outset, specify and negotiate for the exact types and levels of services they seek, understanding that providers can be flexible and willing to negotiate on many matters. With this in mind, the following steps are useful for boards embarking on a search for contracted assistance in designing and managing a school:

-
- ◆ **Firmly establish the school’s mission before going shopping for service providers.** Boards that take mission-setting too lightly will be vulnerable to having their school missions partially defined or altered by others. On the contrary, boards should use their research or “shopping” experience to refine their expectations and explore options to find the best fit. Those who don’t clearly understand what they’re looking for *before* venturing into the education marketplace risk making “impulse” choices they will regret.

A planning year may be a wise investment of time for many school founders.

- ◆ **Carefully consider the potential benefits, challenges, and tradeoffs involved in hiring an educational service provider.** Potential *benefits* may include, for example: gaining access to educational, human and financial resources; avoiding the need to “reinvent the wheel”; and boosting the school’s credibility by partnering with an established organization. Potential *challenges* or *tradeoffs* include: losing some flexibility and day-to-day control; financial costs; and blurred or weak accountability if the relationship is poorly structured.
- ◆ **Consider whether the board has the desire and capacity to create an all-new, successful public school on its own.** If not, then **assess what services the school needs to contract for, and determine what the board is willing to give up** (part of its budget, control, etc.) to get them, in both the short and long term. It may be helpful to think of this as conducting a systematic *school needs assessment*.
- ◆ **Start the “shopping” and selection process early; take a planning year if necessary.** Charter planners interested in contracting for service must allow sufficient time to: (1) assess their own school’s needs; (2) explore the breadth of options available meet those needs; (3) get to know various service providers well enough for an informed comparison; (4) forge a strong partnership with the contractor ultimately selected; and (5) negotiate a mutually acceptable performance-based relationship. This process requires a great deal of time and reflection.

Too often, school founders allow their sense of urgency, desire not to lose momentum, or pressure to meet a fast-approaching charter application deadline to eclipse the process of researching and examining the range of service-contracting options available to them. This is a grave error. Making decisions in a last-minute rush or under duress typically leads to unwanted concessions or compromises, miscommunication, and misunderstandings, which can doom the school to turmoil. Accordingly, a planning year may be a wise investment of time for many school founders – a school will lose far more than a year of productivity if it rushes into an ill-considered or poorly constructed partnership.

- ◆ **Write a well-targeted, precise *Request for Proposals (RFP)* and circulate it widely among diverse providers.** Writing an RFP can be a tremendously valuable exercise in itself for boards, forcing members to agree on and articulate what they seek from contractors and enabling them to advertise their needs clearly. Likewise, RFPs provide helpful guidance for potential contractors, giving them a clearer understanding of a school’s needs and encouraging proposals better tailored to those needs.

-
- ◆ **Conduct due diligence on potential providers to find the best fit.** Learn as much as possible about the experiences and performance of schools served by these providers, particularly schools facing challenges comparable to those expected for the school being planned. Visit schools to see particular providers' offerings in actions; speak with members of the school communities; and get opinions from charter authorizers, charter support organizations, and other impartial parties who know the track records of various providers. Boards or school founders can draw upon an increasing variety of resources – some included in the box below – to learn more about particular providers and become knowledgeable shoppers of educational services.

For schools seeking information about the various service providers operating in their geographic areas, an excellent place to begin research is the **Education Service Provider (ESP) Clearinghouse** developed by the National

Learn as much as possible about the experiences and performance of schools served by these providers, particularly schools facing challenges comparable to those expected for the school being planned.

Association of Charter School Authorizers (NACSA), online at <http://www.charterauthorizers.org/esp/>. The Clearinghouse is a one-stop source of objective information describing 44 education service providers serving charter schools nationwide. Each profile in the Clearinghouse describes the services provided by the ESP to charter schools, the educational programming offered, a listing of all charter schools served by the ESP, organizational structure and contact information, and references to accountability data, evaluations, news articles and other documents that examine the ESP's educational

programs or schools.

Other good sources of information and referrals for schools are the **charter school resource center** and/or **charter school association** that may be operating in their state or city. These support organizations provide various types of technical assistance to charter schools, sometimes help to broker partnerships between charter schools and service organizations, and can probably put school founders in touch with organizations that have shown interest in working in a particular city or state. In addition, **local chartering authorities** can refer schools to service providers interested in working in their areas and perhaps share helpful insights on their performance records.

The Landscape of Education Contracting: Helpful Resources

Web Links to Learn More About Education Service Providers

National Association of Charter School Authorizers' *Education Service Provider Clearinghouse*

A one-stop source of objective information describing 44 education service providers serving charter schools nationwide. Each profile in the Clearinghouse describes the services provided by the ESP charter schools; the educational programming offered; a listing of all charter schools served by the ESP; organizational structure and contact information; and references to accountability data,

<http://www.charterauthorizers.org/esp/>

National Council of Education Providers

Features information about an alliance of education provider organizations working nationwide.

<http://www.educationproviders.org/>

National Clearinghouse for Comprehensive School Reform Links to School Reform Models

Includes links to 33 providers of comprehensive school reform models.

<http://www.goodschools.gwu.edu/CSRM/modlist.htm>

Northwest Regional Laboratory's *Catalog of School Reform Models*

Provides descriptions of 64 models.

<http://www.nwrel.org/scpd/natspec/catalog/index.html>

American Institutes of Research's *Educator's Guide to Schoolwide Reform*

Describes and summarizes research on effectiveness of 24 models.

<http://www.aasa.org/Reform/index.htm>

Publications to Help Schools Choose and Work Effectively with Providers

North Central Regional Educational Laboratory's *Making Good Choices*

<http://www.ncrel.org/csri/tools/makegood.pdf>

Charter Friends National Network's *If the Shoe Fits: A Guide for Charter Schools Thinking about Adopting a Comprehensive School Design*

<http://www.publiccharterschools.org/shoefits.html>

The Guidelines of Quality

A tool for assessing the quality of comprehensive school reform models, developed by a blue-ribbon panel of national education organization leaders at the request of New American Schools.

<http://www.naschools.org/contentViewer.asp?highlightID=8&catID=86> or (703) 647-1600

Below are several issues to consider when shopping around for services. These are some of the dimensions along which contractors differ in important ways:

- ◆ **Philosophy.** How well does the contractor’s approach match your needs? School management and design organizations offer a wide range of educational models, from “back to basics” curricula to experiential, project-based approaches. Boards can narrow the field considerably by focusing on organizations that match the board’s vision regarding how teaching and learning will take place in the school. To do that, of course, boards need a clear sense of their own mission and orientation *before going shopping*.
- ◆ **Adaptability.** As described above, educational service providers differ in how willing they are to adapt their programs to a board’s specifications. Some boards won’t be interested in adaptation; they may want the total package in its unmodified form. But others may want to tailor a particular service provider’s program to meet local standards, or to include additional content areas important to the board or school community. This resource guide returns to this issue in the chapter on “Roles and Responsibilities.”
- ◆ **Scope of services offered.** The three business models outlined above differ most in the scope of services they provide. So boards need to determine the range of services they need before shopping. Some boards have the managerial and administrative support they need to run the school but lack an educational program; for these boards, school design organizations may be the best approach. Others may find themselves in the opposite position — having a strong educational program but needing management services; for these, “made-to-order” firms may offer the best bet. Still others may want a package that includes both management and educational programming; for these schools, the comprehensive or customized management companies may make the most sense.
- ◆ **Finances.** Providers also differ in the fees they charge for their services. Different fee structures are discussed in the “Compensation and Finances” chapter of this resource guide — the point here is simply that boards should closely examine how contractors propose to be paid. Boards should also clearly understand the investments a potential contractor can provide, and on what terms. A contractor that can make up-front investments in facilities or technology may be attractive, if the terms of such investments are favorable and the board determines that the tradeoffs or “costs” of the investments are worthwhile. The “Compensation and Finances” chapter offers some advice about ensuring that investments are well-structured.
- ◆ **Scale of organization.** In addition to the range of service options outlined above, charter schools seeking school management services can choose to contract with national, regional, or local providers. Some school management organizations operate at the national level and are rapidly expanding across the country (those offering comprehensive or customized school management frequently offer their services nationwide). Others concentrate only on particular states or regions. Larger organizations may offer greater capacity to provide financial assistance and other services, wide-ranging experience and expertise, economies of scale in purchases and

administrative costs, and extensive support networks. In contrast, smaller organizations working with only a few schools may be able to provide more attention to individual client schools, but may not be able to offer all the resources of their larger peers.

An important issue for charter school boards to examine is the degree of accessibility, communication, and support the organization will offer the school on a day-to-day basis.

- ◆ **Service quality.** An important issue for charter school boards to examine when exploring potential contractors is the degree of accessibility, communication, and support the organization will offer the school on a day-to-day basis. This appears to be a more common issue for schools contracting with organizations that are aggressively expanding, which may result in focusing their human resources and attention on

seeking new partnerships instead of supporting schools already under contract. Because of this possible tension, charter schools choosing fast-growing management providers may find it useful to examine their strategies to ensure adequate assistance for already-contracted schools. In such cases, ask how the organization allocates its resources to sustaining and strengthening existing partner schools versus seeking new contracts.

Whatever kind of service provider a board chooses, it's important to try to meet, early on, the staff who will actually be working with the school day-to-day – not just the business-development or marketing representatives, who usually have a lesser presence once the partnership is sealed. Likewise, it's important for school planners to know who on the contractor's staff will be responsible for working with the school in each stage or on each critical feature of its development – e.g., partnership development, contract negotiation, school start-up, facility acquisition and renovation, accountability planning, professional development and support, and the like. More than plans described only on paper, these day-to-day relationships will directly determine the quality of services provided.

Communications, accessibility, and quality of support are issues that charter boards should probe with all potential service providers, regardless of their geographic base or number of client schools. When either formal or informal commitments are made regarding these capacities, charter boards should monitor such understandings early in the relationship. If problems appear, promptly asserting the school's needs – while documenting and communicating areas for improvement – should set the partnership back on the expected track.

C. Clarifying the Board’s Position and Overall Responsibilities

As charter grantees or “holders,” charter school boards are publicly entrusted and charged with the obligation to deliver specific educational results. A board may choose to contract for its school’s day-to-day management and operations, but the board remains accountable to the public for the school’s performance under the charter. It may delegate certain tasks and functions, but it cannot delegate responsibility and ultimate accountability for the school’s success or failure.

The choice to contract for services creates a new, weighty responsibility to oversee the contractor’s performance in achieving the school’s specified goals.

Thus, while the choice to contract for services may relieve a charter school board of many burdens, it also creates a new, weighty responsibility to oversee the contractor’s performance in achieving the school’s specified goals. Particularly where a school chooses to contract for comprehensive school management, the board’s selection of a service provider and the terms of the partnership created will determine whether the school succeeds, fails, or is simply average or mediocre.

Following are several important considerations for charter school boards to bear in mind when embarking on a partnership with a school management organization:

1. Structuring the relationship

Just as every charter school board is ultimately responsible for its school’s performance, it is similarly responsible for the structure and terms of its relationship with a management provider. When seeking management assistance, the board should have a clear idea of the types and levels of services needed by the school. Some boards may be ready and able to propose the terms of the service agreement to prospective contractors; others may prefer to solicit and review proposals from a variety of potential providers first.

A thoughtfully negotiated contract will balance the parties’ interests and align their expectations, creating a foundation for a strong and productive partnership.

In exploring partnerships with charter schools, it is common for management organizations to propose a pre-prepared, standard contract that they use with all their partner schools (subject to modifications that may be required by different charter laws or negotiated by various schools). Whether the contract is initially drafted by the charter board or the management contractor, the key principle is that the construction of the partnership should

be carefully negotiated, with both parties' expectations and constraints clearly articulated and mutually understood. A thoughtfully negotiated contract will balance the parties' interests and align their expectations, creating a foundation for a strong and productive partnership.

2. Responsibility for holding the contractor accountable

The board must be prepared to hold its chosen management company accountable for meeting all obligations specified in the contract. Conflicts of interest or other barriers to holding contractors fully accountable for their performance are an abdication of the board's public responsibilities and fiduciary duties, and may thus jeopardize the school's corporate status under state law.

Likewise, with heightened federal scrutiny of the composition and capacities of charter school governing boards, board deficiencies can jeopardize a school's ability to obtain or maintain federal tax-exempt status, thus threatening the school's eligibility for federal funds and tax-deductible contributions. (This issue is discussed further in the sections on "Federal Tax Exemption and Contracting for Management Services" and "Independence and Integrity of Charter School Boards" below, as well as in the "Compensation and Finances" chapter.)

3. Possibility of staffing the board

To execute their school oversight and contract management functions well, some boards may find it helpful or necessary to hire professional staff. Such an investment need not be costly – one professional staff person, perhaps part-time, could be sufficient. Some charter school boards currently operate with this type of assistance, funded by a small percentage of the school's per capita revenues or a modest budget line item.

Conflicts of interest impede accountability by preventing impartial evaluation of the contractor's performance.

Not all boards will need this – certainly some boards can function effectively without staff – but in some cases, volunteer oversight may not be able to match a dedicated employee charged with protecting core goals of the board and school community. For boards that may not have the time or capacity to discharge their obligations optimally, lean and expert staffing can be a wise investment. At the same time, boards that choose to hire staff will need to avoid the destructive effect of "micromanaging" the educational contractor. For further discussion, see pages 24 and 43.

4. Independence and integrity of charter school boards

To ensure the independence and public integrity of charter school governing boards, it is essential that such boards scrupulously maintain complete independence from companies that seek or do business with the school. Conflicts of interest impede accountability by preventing impartial evaluation of the contractor's performance, and threaten the school board's integrity as a guardian of the public trust. For this reason, charter school boards should avoid having members who have financial or familial connections with any current or potential vendor or

contractor (or subsidiary or agent of such). Likewise, potential or contracted vendors should not exercise influence in the appointment of charter school board members.

Schools seeking federal tax-exempt status have a heightened need to demonstrate the existence of an independent board of directors positioned to negotiate and oversee an arm's-length, performance-based relationship with a management contractor (discussed below under "Federal Tax Exemption and Contracting for Management Services"). For any school governing board, a formal policy on board ethics and against conflicts of interest is useful to adopt.

5. Recognition of the authority of the school's charter contract

Many school management agreements do not explicitly obligate the management company to honor and comply with the terms of the overarching charter contract between the charter school and its public authorizer. While such a relationship might seem obvious or implicit, it may be helpful to include in the management contract a statement placing the management agreement in context, explicitly recognizing the authority of the charter contract that permits the school's existence.

This may be done most simply by incorporating the charter contract and any other relevant agreements (for example, a separate academic accountability agreement, if one exists) by reference – and stating that where conflicts between the two contracts may exist, the terms of the charter agreement (or other overarching agreement) will prevail. This will make clear to all parties that the management contract is subject to – and thus, in no way amends or abrogates – the school's charter contract and other pertinent agreements.

6. Community vs. corporate identity

One question that charter school boards will face is whether the school's public image will primarily reflect a community-based or corporate identity. The school's identity will, of course, be reflected first and foremost by its name. In negotiating school management partnerships, some firms prefer to feature their company name prominently in the school's name, while others are more willing to provide services without high visibility.

Many charter schools that are operated by management companies have hyphenated or hybrid names featuring both the school's community roots and its corporate operator – e.g., the "Southtown-Firm X Charter School." Other schools do not reflect their corporate management in their names at all – e.g., the "Southtown Charter Academy." Most companies are willing to negotiate with charter school boards on naming the school.

The issue of identity and public image arises when determining how the charter school board and its management firm will share or divide responsibilities.

Charter boards will need to weigh several considerations in deciding on the school name. For example, some schools may benefit from "name-branding," to the extent that the name of their management organization connotes to the public a certain cachet or standard of quality (which the company has invested significant resources to attain). At

Charting a Clear Course, Reprint of Second Edition

the same time, in some communities, high-profile association with a non-local private corporation may create political problems for a school; and charter laws in a minority of states prohibit schools from bearing the names of private corporations. Additionally, in evaluating charter school applications for federal tax exemption, the Internal Revenue Service views contractual “name-branding” requirements as an indicator that a school is operating for the private benefit of the named company. While the IRS would consider other facts and circumstances applying to the school, a “name-branding” requirement would weigh against approval of tax-exempt status for the school. (This issue is discussed further in the section on “Federal Tax Exemption and Contracting for Management Services,” below.)

In addition to naming the school, the issue of identity and public image arises when determining how the charter school board and its management firm will share or divide responsibilities such as community outreach, student recruitment, fundraising, and public relations. When deciding these and other issues, charter boards should weigh the potential advantages and disadvantages of linking their school identity closely with a particular management organization (and its reputation or implied quality standard), versus establishing an independent identity that highlights the school’s community roots.

7. The “right” time to hire a management contractor

Some charter-founding boards seeking management services question when the “right” time is to retain such services by contract – before or after applying for a charter? If the relevant charter law permits, it makes sense for boards to contract for such services prior to applying for a charter. Logic dictates that services essential to the proposed school’s program or operations should be spelled out in the initial charter application. Moreover, structured or detailed charter application processes usually require clear delineation of the role and services that a management provider will perform for a proposed charter school.

Services essential to the proposed school’s program or operations should be spelled out in the initial charter application.

In many cases, charter school founding boards contemplating a partnership with a management organization may want the latter to prepare the charter application itself. Companies understandably may be reluctant to invest their labor and resources in this work without a management agreement in place to guarantee business from the proposal (contingent on charter approval).

In some states, however, it may be impossible or legally prohibited to execute a management contract at the charter application stage (e.g., because no legal entity exists to sign the contract until a charter is granted, or because procurement laws require open bidding after a charter is awarded). As a result, in exchange for investing their resources in preparing charter proposals without a guaranteed contract, some management organizations might charge a fee for proposal development. This will protect their investment if the charter board ultimately decides to hire a different contractor, or perhaps no contractor at all.

An additional reference addressing many of these and other topics is the set of *Educational Service Provider Policies* produced by Central Michigan University's (CMU) Charter Schools Office, which oversees scores of schools in Michigan that operate under contracted management with third-party providers. These policies lay out basic requirements for third-party management agreements entered into by schools under CMU's oversight. The policies focus on ensuring that school governing boards are prepared for their fiduciary duties and retain ultimate control over essential school assets. While not all of these policies may be necessary for schools outside of CMU's jurisdiction, they are nevertheless useful in stimulating reflection on the broad responsibilities of charter school boards that contract for management services. CMU's *Educational Service Provider Policies* are available on the CMU Charter Schools Office's website, <http://www.cmucso.org/>, or upon request to the office at (517) 774-2100.

Federal Tax Exemption and Contracting for Management Services

Charter schools may be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) if they are organized and operated exclusively for charitable, educational purposes. Tax-exempt status also permits tax deductibility for charitable contributions to the school. Some state laws require that charter-holding entities be tax-exempt; others do not.

In principle, contracting with management companies should not create a conflict or obstacle for charter schools seeking federal tax-exempt status. The structure and provisions of school management relationships, however, must be carefully designed in order to meet the Internal Revenue Service's standards for federal tax exemption. In the IRS' view, "For a charter school to establish exemption under IRC 501(c)(3), whether it purchases some or all of the services required to operate, it must establish that it is organized for the benefit of the public and not for the benefit of any private person [or entity], such as a service provider."⁴

The following pages provide an overview of essential considerations for charter schools contracting for management services and seeking federal tax exemption. This information is excerpted from internal **guidance published by the Internal Revenue Service** concerning charter schools that contract with for-profit entities for management services. While this guidance is written for IRS agents who evaluate applications for federal tax exemption, it is also directly informative for charter school boards seeking to meet the IRS' standards for exemption. The full text of this guidance ("Topic J. Charter Schools") is available on the IRS' website at http://www.irs.gov/prod/bus_info/eo/topicj00.pdf. General information on requirements for federal tax exemption is available at http://www.irs.gov/bus_info/eo.

⁴ "Topic J. Charter Schools," Terry Berkovsky et al., *Exempt Organizations Continuing Professional Education Technical Instruction Program*, Internal Revenue Service, 2000.

Federal Tax Exemption and Contracting for Management Services

Excerpted from “Topic J. Charter Schools,” Terry Berkovsky et al., *Exempt Organizations Continuing Professional Education Technical Instruction Program*, Internal Revenue Service, 2000:

When considering exemption with respect to charter schools that have contracted with for-profit entities for management services, the Service is particularly interested in whether the charter school board remains in control and continues to exercise its fiduciary responsibility to the school. The board may not delegate its responsibility and ultimate accountability for the school’s operations to a for-profit company without raising the issue of whether the organization is operating for the private benefit of that company. The following discussion highlights some of the factors the Service considers when looking at a charter school application and discusses the concerns regarding independence of the board of directors and the arm’s-length negotiation of contracts.

A. Independent Board of Directors

A charter school board of directors composed of parents, teachers and community leaders provides structural independence. A board appointed or dominated by a comprehensive management company raises questions as to whether the school will be operated for the benefit of the management company. In considering exemption under IRC 501(c)(3), the Service looks to whether a structurally independent board is involved in active oversight of the school’s operations, or whether the board has delegated its duties and responsibilities to the management company.

To establish active oversight, the Service evaluates all the facts and circumstances. A board must show that it is not a front for the benefit of the management company. While it is impossible to specify every duty and responsibility a board should undertake, the following are some indicia of independence:

(1) Regular Meetings

Regular board meetings enable directors to play a active role in the direct activities of the school as well as to exercise continual oversight of the management company carrying out its wishes under contract. One or two meetings per year are generally insufficient to establish that the board members are exercising any independent control. Board meeting minutes should reflect the decisions of the board and items considered at each meeting.

(2) Conflict of Interest

The board should have a conflict of interest policy requiring members to disclose all financial interests they have in any service provided to the school. Procedures for determining when a conflict of interest exists, for addressing the conflict and for recording the resolution of the conflict should be included in the school by-laws. See CPE-2000, Tax-Exempt Health Care Organizations Revised Conflicts of Interest Policy, topic E, for additional information regarding conflicts of interest.

(3) Oversight

The board should oversee the operations of the management company and retain the ultimate responsibility for meeting the terms of its charter. The board, rather than the management company, should set and approve broad school policies such as the budget, curriculum, admissions procedures, student conduct, school calendars, and dispute resolution procedures.

Federal Tax Exemption and Contracting for Management Services continued

(4) Fiscal Responsibility

Boards should have the responsibility and take appropriate action to ensure the fiscal health of the school.

B. Arm's-Length Negotiation

To establish exemption under IRC 501(c)(3), a charter school must show that contracts, especially comprehensive management contracts, have been negotiated at arm's length and are for the benefit of the school rather than the service provider. Boilerplate contracts may be an [indication] that the terms of the contract were not the subject of negotiations between independent parties. Representation of both the school and the management company by the same attorney is also an indication of the absence of arm's-length negotiations.

C. Contract Terms

When reviewing a charter school contract for management services, the Service is concerned that the terms be consistent with fulfillment of the school's exempt purposes. Some contract terms may result in a finding that the school is operated for the benefit of the management company and preclude exemption. Areas of concern include:

(1) Length of Contract

The contract's term greatly influences the board's ability to monitor and evaluate the management company's performance. There is a need to balance the management company's interest in a long-term contract with the school's need for flexibility in changing companies and meeting its fiduciary responsibility.

(2) Board Policies

The general policies concerning the operation and management of a charter school should not be contracted away. These broad policies help define the school's identity.

(3) Services

Comprehensive school contract packages place much of the control of the day-to-day operations in the hands of the management company. Responsibilities of both the company and the school should be stated in the contract.

(4) Personnel

Principals, teachers and staff may be employed directly by the school or may be employees of the management company. However, the existence of an anti-compete clause prevents a school from hiring the personnel that it has utilized in operating its school (principals, teachers, etc.) for a specific length of time after termination of the management contract. This practice usually serves the private interests of the management company and limits the school's ability to terminate the contract.

Federal Tax Exemption and Contracting for Management Services continued

(5) Compensation

Management company fees must be reasonable and commensurate with the services provided. A management fee structure should not be based on total income (i.e., all fees, grants, contributions, and unusual receipts). Compensation should not be above market rate generally charged for the service provided. This can be established through evidence of comparative shopping for services.

(6) Termination

A service contract should specify the provisions for termination and the procedure for evaluating when the terms of the contract are in default. Termination provisions that unreasonably restrict and limit the options of the school are evidence of private benefit to the service provider.

D. Name Identification

In many cases, contractual provisions require a charter school to attach the management company's name to the school (i.e., Company X Charter School or Charter School, a Company X affiliate). "Name-branding" has no clear exempt purpose. It links management companies to exempt schools and allows the company to draw goodwill from the relationship. It allows the management companies to build name recognition without additional expense. It also places a contractual burden on the charter schools, making it more difficult for the school to terminate the relationship with the management company. A "name-branding" requirement may be an indicator of private benefit, depending on the facts and circumstances.

E. Ancillary Services

Comprehensive school management companies may provide other services directly or through affiliates. These services may include cash advances for start-up funds, capital loans, facility leasing, technology contracting, furnishings, fixtures, textbooks, and just about anything else a charter school may need. The Service recognizes that such services are essential for start-up schools. However, the Service will examine these agreements carefully to determine whether the terms were the result of arm's-length negotiation with an independent charter school board or are, in effect, adhesion contracts with a captive school board.

Conclusion

State are adopting and refining charter school legislation at a remarkable rate. As this area develops, the Service's guidelines will continue to evolve. However, the general methods used for evaluating public purposes over private interests continue to be applicable. The Service will continue to be concerned that charter schools applying for exemption under IRC 501(c)(3) operate for exclusively charitable purposes and do not operate for the benefit of private management companies and service providers.

Below is a summary of the factors and concerns that are central to the IRS' evaluation of charter school applications for tax exemption.

Critical factors for schools seeking federal tax exemption:

- independence of the charter school board from its management contractor;
- board responsibility for and oversight of the school;
- arm's-length negotiation of contract terms;
- independent legal representation for the charter school board;
- reasonable fee structure and market rates for services;
- reasonable ability to terminate the contract.

Contract terms of concern when seeking federal tax exemption:⁵

- duration exceeding 3-5 years (depending on the term of the school's charter);
- automatic renewal and difficulty of termination;
- staffing restrictions and non-competition/non-solicitation clauses;
- required name-branding (requiring that the school be named after the management company);
- some types of incentive pay packages for the management company.

Compensation plans:

Certain types of compensation arrangements for management contractors may reduce a school's chances of obtaining or maintaining federal tax exemption. The "Compensation and Finances" chapter provides information on key factors considered by the IRS in evaluating various kinds of compensation schemes for management firms.

Applying for federal tax exemption:

Schools wishing to apply for federal tax exemption must file Package 1023, *Application for Recognition of Exemption* under Section 501(c)(3) of the Internal Revenue Code, which may be obtained by calling 800-TAX-FORM (800-829-3676, toll-free). The application and additional information regarding requirements for 501(c)(3) status may also be obtained from the IRS' website, http://www.irs.gov/bus_info/eo/char-orgs.html or by calling 877-829-5500.

⁵ While the existence of these factors may decrease a school's chances of obtaining federal tax exemption, their presence is not necessarily wholly disadvantageous. The types of contractual terms listed here may bring certain advantages to charter schools, such as increasing their likelihood of securing long-term, sustained (including financial) assistance from a well-resourced management firm. Charter school boards seeking partnerships with management organizations should weigh with an open mind the advantages, disadvantages, and implications of various types of contractual provisions for the school. It is impossible to generalize about "recommended" contractual terms or provisions for all charter schools seeking management assistance, as each school must negotiate a contract best suited for its own circumstances and needs. Negotiated terms that are optimal for one school may not be ideal or acceptable for another.

III. ROLES AND RESPONSIBILITIES

For any charter school board, a central issue is how to divide roles and responsibilities between the board and those who carry out the organization’s day-to-day work. Whether those day-to-day workers are employees of the board or a management organization, clarity in the definition of roles and responsibilities is vital. Since these issues apply not just to charter boards, but to any nonprofit board, charter board members may find it useful to consult some existing resources for charter and nonprofit boards, many of which are compiled in the Charter Friends National Network’s resource guide, *Creating and Effective Charter School Governing Board*, available online at <http://www.uscharterschools.org/gb/governance/>.

While it is impossible to specify every role and responsibility in a written contract, charter boards should strive to foresee and clarify as much as possible and practical up-front.⁶ This chapter of the guide details some options and considerations based on a review of a number of existing management contracts. The chapter begins by outlining some of the core responsibilities of the charter board—responsibilities that cannot ultimately be delegated to a management organization or employees. Then it turns to a host of more specific issues that often present problems in board-management relations.

Charter boards should strive to foresee and clarify as much as possible and practical up-front.

Though there are many ways to describe the core responsibilities of a charter school board, the following list captures some of the most commonly agreed-upon items:

- ◆ meeting the terms of the charter (academic results and compliance with laws and regulations);
- ◆ maintaining the health and safety of the students and others in the school;
- ◆ establishing and guarding the vision and mission of the school;
- ◆ setting broad policies for the school (e.g., school budget, curriculum and assessment frameworks, admissions procedures, codes of student conduct, macro-level school calendars);
- ◆ ensuring the fiscal health of the school;
- ◆ evaluating the performance of the school’s management;
- ◆ managing relations with the outside world;
- ◆ carrying out other functions specifically mandated by law (e.g., hearing parent complaints).

⁶ Charter boards, as the entities publicly responsible for overseeing their schools, are presumed to have authority over and responsibility for all matters not articulated in the management agreement. Boards and their contractors might wish to make this clear by including a blanket clause stating that all roles and responsibilities not specifically addressed in the contract belong to the board.

In identifying these central responsibilities, this guide does not suggest that the charter school board cannot generally delegate the day-to-day work involved in carrying them out. Rather, the idea is that the board retains ultimate accountability for these central responsibilities—accountability it cannot assign to a management organization or anyone else. In fact, many would argue that it is vital that the board *not* become involved, except in extreme circumstances, in daily management.

If the board does not give the company a significant degree of autonomy, it may be difficult for the board to hold the company accountable for results—since responsibility for poor performance is hard to assign if everyone has their hands in day-to-day decisions. One of the reasons defining roles and responsibilities up-front is so important is to ensure that on a daily basis, the management company can operate the school without micro-management by the board, and ultimately be held accountable for its actions.

Scenario: Micromanagement by the Board

The board of Southway Charter School has a five-year contract with Skyrocket Learning Systems for comprehensive management of the school. The contract makes clear that Skyrocket is responsible for hiring and supervising school staff, but under state law the board is officially the employer.

Before the school opens, the board directs Skyrocket to employ one of the founding parents, Mr. Fredrick, as the school's technology coordinator. Skyrocket objects, pointing out that the new school principal has already selected a person, much more qualified than Mr. Fredrick, for the post. But the board insists, citing Mr. Fredrick's extensive volunteer effort in the school's start-up phase as evidence of his commitment to the school. Since the board is the legal employer, Skyrocket gives in. For the first six months of the school's operation, Skyrocket finds itself continually backing up Mr. Fredrick by dispatching its technology director from a nearby school, straining the other school's technology resources.

After the holiday break, the Southway board chair announces that due to parent complaints he has received, two teachers will have to be replaced. Skyrocket again objects, citing overall evidence of parent satisfaction and strong preliminary test results by the students. Again, the board insists, and Skyrocket has little choice but to go along.

Understandably, some management organizations are not eager to make significant changes in their basic programs from school to school. They have tested certain approaches and found them to work; they are seeking to attain scale with particular methods; and they are interested in building an identity around the way their schools function. Charter boards need to know up-front how flexible management organizations will be about these policy areas.

In addition, to the extent that a management organization invests large sums of money in the development of a school in the expectation of long-term returns, it is likely to want more rather than less control over how the school does business. For example, suppose a management company invests several million dollars in a school's facility and other start-up costs. To recoup that investment, the firm will need to operate the school successfully for several years.

For these reasons, firms may be reluctant to leave major decisions about the school’s instructional program, staffing, or budgeting to others. In essence, boards may face a tradeoff between the level of investment and accountability the management company takes on and the level of control the board can wield. There is no right answer to dealing with this tradeoff, but boards that confront it need to do so with their eyes open. Management organizations may seek some protection against board micromanagement in the contract. One contract we reviewed, for example, gave the management company the right to terminate the contract if the board refused to enact its “reasonable recommendations.”

Scenario: Conflict over the Curriculum

Midway through the second year of its contract with Everest Education Management, Bright Tomorrow Charter School’s board conducts an agreed-upon day-long visit to the school to assess progress. Debriefing after the visit, several board members express concern about the apparent lack of focus on arts and music in the curriculum. Arguing that arts and music are a vital part of a well-rounded learning experience, the members ask Everest to devise a plan for increasing these offerings in the coming school year.

Everest responds that any significant change in the curriculum is impossible at this stage of the contract. The school is under a strict accountability contract with the authorizer that, by agreement of the board, focuses on reading, mathematics, social studies, and science achievement by the students. While the current minimal arts and music program will continue, Everest is unwilling to devote scarce time and resources to any increase. When board members protest, the company points to Bright Tomorrow’s contract with Everest, which clearly spells out the school’s curriculum.

In thinking through a contract with a management firm, the board’s key priority should be to ensure that the agreement empowers the board to fulfill its responsibilities. Contracts can appropriately empower boards in several ways:

- ◆ *Direct authority*: by stating clearly that certain responsibilities will be fulfilled by the board.
- ◆ *Delegation with information*: by stating clearly that the management organization will carry out certain responsibilities and requiring the management company to provide certain kinds of information to the board (on a timetable) so the board knows whether delegated responsibilities are being fulfilled.
- ◆ *Retained decision-making power*: by setting forth decision-making or sign-off procedures that ensure the board had final approval at important junctures (e.g., the setting of the annual budget; significant expenditures; the establishment of annual enrollment procedures; the selection of the principal).

Each of these three options places a tool in the hands of the board that enables it—directly or indirectly—to fulfill its responsibilities. The primary way in which boards create these tools is by adopting a comprehensive set of *policies* on a range of important issues. The policies set parameters within which the management company and school staff must work; outline critical decision-making processes; and establish the formal lines of communication between board

and management. All boards don't necessarily need to devise policies in all areas from scratch. Management organizations may come to the table with specific policies already in mind; these pre-developed approaches may in fact be one of the characteristics that makes a particular management company attractive to a board.

The chart below provides a sampling of issues policies may address; then the following sections provide more details about three challenging areas: legal compliance, personnel, and subcontracting. Other vexing issues are subsequently addressed in other chapters of this guide.

Sorting Out Responsibilities Between Boards/Management Companies

Responsibilities	Sample Issues
Curriculum, instruction, and assessment	What curriculum, instructional strategies, and assessments will be used? What standards do students have to meet for promotion, graduation, and other purposes? What process will be followed in making major changes in standards, curriculum, instruction, and assessments?
Evaluation of management company's performance	(see "Performance Oversight and Evaluation" chapter, on page 43)
Facilities	(see also "Physical Property" section on page 71)
Fiscal affairs and budgeting	(see Compensation and Finances chapter on page 56)
Fundraising and revenues	Whose job is it to seek outside grants and donations? Whose job is it maximize public revenues to the school?
Insurance	Who is responsible for obtaining insurance required by law (or prudence)?
Legal and regulatory compliance	(see Legal Compliance discussion in this section on page 27)
Parent involvement	Does the board have certain standards regarding parental involvement and influence in the school that the management company must meet? Whose job is it to recruit and organize parent volunteers? Who handles the school's parent grievance procedure?
Public relations	What is the board's role in responding to the media? What is the board's role in approving public relations materials (media releases, marketing materials, website contents, etc.)?
Reporting (financial and academic)	(see Legal Compliance discussion in this section on page 27)
Staffing / personnel	(see Hiring, Firing and Supervising discussion in this section on page 29)
Student discipline	What is the school's student code of conduct? What are the grounds for suspension, expulsion, and other major disciplinary actions, and what procedures will be followed in taking them? What is the board's role in ensuring due process for students (i.e., are hearings before the board part of certain disciplinary actions)?
Student recruitment and enrollment	Who establishes the school's: <ul style="list-style-type: none"> ◆ target population? ◆ admissions standards (if any)? ◆ admissions calendar? Whose job is it to market the school to families? If the management organization, how is it held accountable for filling student seats? Who administers the lottery or other admissions process?

A. Legal Compliance

Though we often think of charter schools as “deregulated,” they still face a host of legal and other requirements. Some of these are federal requirements that cannot be waived by state law (such as special education); some are state laws and regulations that remain in force for charter schools; still others are specific requirements imposed on charter schools alone (such as charter school reporting requirements).

Charter boards are well-advised to understand these responsibilities fully.

Ensuring compliance with laws and regulations remains one of the charter board’s central responsibilities.

Since these requirements can become highly technical and complex, helping to fulfill them is one of the most valuable contributions a management organization can make to a charter school. Especially if they operate more than one school, management organizations can develop expertise and systems that are valuable to the schools they serve.

At the same time, ensuring compliance with laws and regulations remains one of the charter board’s central responsibilities; the board is ultimately accountable if the school runs afoul of legal requirements, even if the board has delegated certain compliance work and reporting duties to a management company. Hence a basic dilemma of contracting: how can the board take full advantage of delegating compliance while still ensuring that the school complies?

Here are some approaches found in actual contracts:

Blanket commitments by management organizations to comply. Some contracts reviewed in preparing this guide contain blanket statements obligating the management organization to comply with the terms of the charter and all relevant laws in carrying out its duties, perhaps incorporating the school’s charter in the contract. While such commitments do not guarantee that management will act in compliance, they give the board clear redress in the event that the contractor crosses the line (e.g., indemnification for costs incurred, termination of contract). Here is an example of such language:

“In providing services required by this Agreement, [the management company] must observe and comply with all applicable federal, state, and local statutes, ordinances, rules, and regulations and all applicable court orders, court decisions, and administrative decrees.”

Before inserting such a provision, though, it is worth exploring whether the management company is exempt from any laws and regulations that would constrain the board itself. For example, is the management company required to follow state procurement laws when making major purchases or entering into significant contracts? These questions are important to answer up-front. If the management company is exempt in some cases, significant economies and flexibility can result that benefit the school. If the company is not exempt, boards need to know before it is too late.

Specific enumeration of compliance responsibilities. Some contracts include specific lists of compliance-related tasks one party or the other will carry out. Since there are so many

requirements to enumerate, such a list will never be exhaustive; the blanket provision is still important. But enumeration can still be helpful because it reminds the parties up-front of some of the most important compliance issues and makes it less likely that something will slip through the cracks. Examples of particular items to address include: background checks on employees, report-filing, payroll accounting, pension contributions, special education compliance, meeting health and safety standards, open meeting requirements for the board and others.

Advance board review of important reports or documentation. Much compliance involves reporting or documentation. A board can oversee such responsibilities by mandating advance review of reports or documentation by the full board or some subset of it. Because such reviews are time-consuming, most boards will probably want to limit them to areas they regard as particularly vital or subject to error or misrepresentation.

After-the-fact review. As a substitute for advance review, boards can receive copies of reports and documentation as they are filed. This practice is not optimal, though, because it gives boards no advance notice of potential issues.

Optional board inspections. It almost goes without saying that board members have a right to visit the school at any reasonable time. Such visits, conducted with an approach and at a frequency that does not impair the staff's ability to operate the school effectively, can be an important information-gathering tool.

Thoughtful management of incoming compliance information. In addition to thinking about board involvement in outgoing reports, it is also important to examine how the school will handle information coming in from various regulatory bodies—the charter authorizer; the state department or board of education; the local school district or school board; and various other local, state, and federal agencies that exercise authority over the school. For example, suppose the charter authorizer notifies the school when it fails to meet certain reporting requirements. Who receives that notice at the school? The board chair? The principal? An employee in the management company's main office?

Clearly, there are reasons why all these parties would want to receive such notices. It may sometimes be possible for them all to do so, but regulatory bodies will often correspond only with a single contact person. In such cases, it is important to clarify that copies of such correspondence will be shared appropriately with all parties. For example, many management contracts require the charter board to notify the management company expeditiously in the event that the school has been “written up” for a violation. Here is one sample of such language:

“If the School is notified by [the state], [the state board of education], or any other governmental authority or by any other person or entity, that it may be in violation of the Charter School Law or any other applicable law or regulation, then the school shall immediately notify [the management organization] of the claimed violation [and vice versa].”

Scenario: Poor Information Flow about Compliance

The charter law in Southway Charter School's state mandates that all charter school teachers be certified according to state guidelines. An audit of the school in the spring of 2000 reveals that two faculty members lack the proper credentials. Southway's management contractor, Skyrocket Learning Systems, pledges to remedy the situation.

Over the summer, Skyrocket's corporate headquarters submits a request to the state licensure office for alternative certification for the two faculty members under a statute that allows professionals with advanced degrees to teach in public schools as they pursue certification. The licensure office sends a reply to Skyrocket headquarters authorizing the teachers to stay on board pending approval of their applications.

On a routine visit to the school the following fall, Southway's authorizer discovers that the two faculty members are still at work. Unaware of the alternative certification, the authorizer pulls aside the school's board chair and asks why the teachers haven't been replaced. Embarrassed, the board chair says he doesn't know. The authorizer writes up the apparent violation, setting off a tense volley of correspondence between the board, Skyrocket and the authorizer.

B. Hiring, Firing and Supervising the School Director

Of all the decisions schools make, perhaps none are more essential than those regarding staff, especially the school principal (or head or director). Who decides who will be the principal of the school? Who reviews his or her performance? Who holds the power to dismiss the principal? Legally speaking, whose employee is the principal?

These questions are vital because confidence in the principal on the part of those responsible for the school's functioning is critical. When a charter board contracts with a management organization, both the charter board and the management organization must stand behind a decision to hire or fire a principal. In situations where the board and company are unclear on these fundamental choices, trouble is sure to follow.

Scenario: Staff Termination Decisions

The contract between Bright Tomorrow Charter School and Everest Education Management, states that the board and the company will jointly approve the selection and, if the situation warrants, termination of the school director. The director, Mr. Goodling, is trained by and reports to Everest's central management; however, under the state's charter law, he is employed by Bright Tomorrow's board.

At the school, he works closely day-to-day with Ms. Roselli, the executive director of the charter school's founding organization, who is employed by and reports to Bright Tomorrow's board. The arrangement is designed to foster collaboration between Mr. Goodling and Ms. Roselli, while enabling each to complement the other's skills. The management agreement states that Mr. Goodling will take charge of Bright Tomorrow's academic program while Ms. Roselli will head the school's business functions and community relations. In practice, however, their responsibilities overlap and they work together on many matters.

At the end of the year, Ms. Roselli recommends to Bright Tomorrow's board that Mr. Goodling be terminated because his performance has been unsatisfactory. Everest Education Management disputes this, declaring that Mr. Goodling has met all expectations and that Ms. Roselli must stay out of Everest's personnel decisions. Ms. Roselli argues that Everest does not know Mr. Goodling's performance and weaknesses as well as she does, since Everest is based 800 miles away while she has worked with him every day.

Contracts should state clearly who makes the ultimate decision about hiring and firing the principal. But no contractual language can avoid the potential underlying conflict — disagreement between board and management organization about this central issue of school management.

As a result, much more important than contractual language is arriving at consensus up-front about the following two issues: (1) the qualities of an ideal principal for the school, and (2) the criteria that will be used to evaluate the principal's performance. Agreement on those issues, prior to discussions of particular individuals, can go a long way toward defusing this tinderbox of an issue.

Still, how can management contracts create arrangements that minimize this potential problem? Here are some of the issues that must be addressed, with some options that have been included in actual management contracts:

Whose employee is the principal? In theory, the principal could be the employee of either the charter board or of the management organization. In practice, a particular school's choice may be constrained by state law. So a first step in addressing this issue is determining whether state law requires a charter school's principal to be employed by the charter board itself. Even if a state does not require such employment, state law may confer advantages and disadvantages on different arrangements.

For example, some states may exclude employees of private management companies from state retirement and health benefits. Alternatively, states may impose upon charter boards special

requirements for licensure, compensation and termination that do not apply to private employers. Since these factors vary from place to place, contracts set forth different arrangements, with some stating that the principal works for the company and others making the charter board the formal employer.

How is the principal hired? Whoever the employer is, charter boards may want to consider carving out roles for both itself and the management company in the hiring process. Most of the contracts and extra-contractual arrangements reviewed for this guide design the process so that both the board and the management company must agree on a candidate. As the box below suggests, this mutual agreement may be achieved in several different ways.

Charter boards may want to consider carving out roles for both itself and the management company in the hiring process.

How can the principal be dismissed? Though the selection of the principal can present difficult issues, disagreement over dismissal can be infinitely more challenging. It is in cases of potential dismissal that criteria used to evaluate principal performance are absolutely vital—they at least allow the parties to debate the question based on some common understanding of what the basis of judgment should be. Ultimately, however, disagreement may still arise, and the models in the box present different ways of dealing with this potentially fractious issue.

“Getting To Yes” on Principal Selection and Dismissal: Different Models

The company short-list. The management organization recruits a field of potential principals, narrows the field to a short-list of acceptable candidates, and then asks the board to select one. If none is acceptable to the board, the company re-opens the search.

The company advises, the board decides. The management organization selects a single candidate, and the board decides “yes” or “no.” If no, the management organization produces a second choice or re-opens the search. In the case of dismissal, the company may recommend termination, but the board makes the ultimate decision.

Separating hiring and firing. There is no particular reason why the same procedures should apply to both hiring and firing of the principal. One management company follows the “company advises, board decides” approach when it comes to hiring, but insists on the ability to dismiss a principal unilaterally.

The joint search committee. A committee including board members and management organization representatives conducts the search and comes to agreement on one or more candidates. The full board and the management company’s leadership must approve the search committee’s decision.

An out for the management company. One contract provides an escape clause for the management company: if the board failed to ratify the company’s recommendations on the hiring or dismissal of the principal, the company has the right to terminate the contract.

An out for the board. Though it does not appear in the contracts reviewed, an analogous provision could allow the management company to hire and fire the principal as it sees fit, but give the board the right to terminate the contract over principal-related disagreements.

The backup plan. Some contracts provide for arbitration in the event that the board and the management company cannot come to agreement on this issue (or others). In the typical arbitration provision, the parties agree to pursue arbitration under the rules of an external body like the American Arbitration Association. Clearly, such measures are a last resort. Intermediate steps, such as revisiting the characteristics of an ideal candidate and a renewed search, must come first.

Though issues of principal selection and dismissal stand out as the most critical staffing questions, many of the same concerns may arise in connection with teachers or other employees. Typically, charter boards delegate this decision-making to the management company, playing less of a role than they do in principal selection. If a popular teacher is let go, however, the board is likely to receive an earful from parents, even if teacher dismissal is a management responsibility.

A minority of contracts reviewed for this guide give the board the right to interview candidates and provide non-binding input on the selection of all school staff. Such an approach, however, risks blurring responsibility for the conduct of school affairs and may thus compromise a board’s ability to hold the management company accountable for results. Boards considering such provisions should weigh this concern in their calculations. As with the principal’s status, state law may govern some of the formal relationships among board, management company, and these employees, so check each state’s statutes carefully.

Hiring and firing bracket a principal’s involvement in the school, but what goes on in between is also of critical importance. In a board-management company relationship, it is possible for the school director to be placed in a difficult position of having two sets of supervisors—the board and the officials of the management company. Conflicting signals can make it extremely difficult for the school director to do his or her job—and to assume accountability for results. Defining roles and responsibilities clearly can help minimize such conflicts, but board and management company alike should be constantly on guard to avoid ambiguity in this area.

C. Subcontracting

Scenario: Conflict over Subcontracting

Rainbow Charter School has contracted with Everest Education Management to provide comprehensive management services. Everest subcontracts special education service delivery to another firm, Sunburst Specialized Education Services, a company with proven expertise and track record in providing special education services in the city. Nevertheless, an evaluation conducted in the school’s second year by Rainbow’s authorizer reveals a few serious complaints about special education services at the school. The evaluation is summarized in the local newspaper. Rainbow’s board members are upset that the evaluation and the news article reflect poorly on the charter school. They demand that Everest find a new subcontractor.

Everest retorts that Sunburst has an excellent overall record, that the problems at Rainbow were flukes, and that Sunburst and Everest are working together to fix the deficiencies. In addition, Everest argues that relative to the fee schedule under Everest’s multi-school contract with Sunburst, costs would rise substantially with another contractor. In any case, Everest says, the contract between Rainbow and Everest gives the company clear authority to subcontract as it sees fit.

Just as the board may decide to contract out the management of the school, the management company may want to subcontract with other organizations to carry out certain responsibilities. Such subcontracts can be very valuable to the school if they give the school access to specialized expertise not possessed by the management company, or if they allow the school to achieve significant cost savings. However, subcontracting also creates another link in the accountability chain tying the board to the school’s day-to-day operations. It means that the board is delegating authority to yet another organization. Most boards do not mind if small-scale or ancillary functions are carried out by third parties. But when subcontractors begin to provide core services to the school, such as classroom teaching, or assume important compliance responsibilities, some boards seek to ensure that subcontracts meet some threshold of accountability. Such accountability is particularly important when all contracts entered into by the school (including subcontracts by the management company) must meet legal requirements having to do with such issues as wage and hour laws, access for minority- and women-owned subcontractors, and other procurement procedures.

The contracts reviewed for this resource guide take a wide range of approaches to subcontracting by the management company. These approaches lie along a continuum: at one end, the management company receives complete discretion to subcontract. At the other end, the board must approve all subcontracts:

- ◆ *Management company discretion.* In many contracts, the management company may subcontract as it sees fit for the provision of services needed by the school.
- ◆ *Limited management company discretion.* In most cases, the management company may subcontract at will for services, while the board reserves the right to approve contracts that meet certain criteria. For example, one contract requires board approval for any subcontract greater than \$50,000; others state lower threshold amounts. Some contracts require approval for any subcontracts that relate to specific activities, such as special education or general teaching and instruction. Others require board approval for any subcontracts to subsidiaries or other affiliates of the management company in order to deter “self-dealing.”
- ◆ *Review of all contracts by a board representative.* One contract empowers a “board representative” to review all subcontracts entered into by the management company in order to ensure compliance with the complex web of contracting regulations to which the school is subject.
- ◆ *Review of all contracts by the full board.* One contract requires board approval for all subcontracts entered into by the management company.

The critical bottom line is that the board must hold the management company responsible for its activities.

Whatever approach the parties take, the critical bottom line is that the board must hold the management company responsible for its activities, including those it subcontracts out to third parties. Just as the board is ultimately accountable for what happens at the school, the management company must be accountable for activities under its supervision.

IV. CONTRACT DURATION, RENEWAL & TERMINATION

The contract's duration and provisions for renewal and termination will greatly influence the charter school board's ability to monitor and evaluate the service provider's performance. The service contract should articulate the provisions for renewal and termination, as well as the procedures for evaluating whether the contractor has met agreed-upon expectations. It is also useful to remember the Internal Revenue Service's view on this issue for charter schools – that “termination provisions that unreasonably restrict and limit the options of the school are evidence of private benefit to the service provider” (explained earlier in the section on “Federal Tax Exemption and Contracting for Management Services”).⁷

Scenario: Authorizer's Dissatisfaction with Management Organization

Chestnut Street Charter Academy has a five-year contract with Skyrocket Learning Systems for comprehensive school management. This contract's term coincides with that of the Academy's charter and will be renewed automatically for another five years if the school's charter is renewed for another five-year term.

As of the school's third year of operation, Chestnut Street's board is satisfied with Skyrocket's performance. However, the school's authorizing agency contacts the board with serious complaints about Skyrocket's performance and conduct. The authorizer notifies the board that the school may face revocation of its charter if Skyrocket's conduct does not dramatically improve within the next six months.

Some management contracts terminate yearly and are renewable yearly. From a charter school board's perspective, this type of agreement allows the most flexibility and simplest opportunity to act upon its yearly evaluation of the contractor's performance in operating the school (whether that evaluation is positive or negative). At the same time, this type of arrangement may be difficult to obtain in cases where the charter school requires substantial start-up assistance or a long-term financial relationship with a management provider.

Management agreements that run parallel to a school's charter term (often 3-5 years) are common. Terminating at the end of the school's charter term, such contracts provide the charter school board the option of renewing the contract with the management company – or perhaps selecting another service provider – as the termination date approaches.

However, most contracts reviewed for this guide are self-perpetuating, providing for automatic renewal either year-to-year throughout the charter term, or upon renewal of the school's charter. The terms of automatic-renewal agreements in these contracts range from one year

⁷ “Topic J. Charter Schools,” Terry Berkovsky et al., *Exempt Organizations Continuing Professional Education Technical Instruction Program*, Internal Revenue Service, 2000.

A school's charter with its authorizer and its management agreement are two independent contracts entailing distinct obligations and responsibilities of and to different parties.

(with subsequent renewal decisions to be made year to year) to five years. Typically, in order to terminate this type of agreement, the party electing termination must provide written notice of its intention not to renew well before (commonly, 3 or 4 months) the end of the contract term.

Charter school boards must carefully consider the ramifications of entering into self-perpetuating or automatic-renewal agreements. Though linked, a school's

charter with its authorizer and its management agreement are two independent contracts entailing distinct obligations and responsibilities of and to different parties.

Automatic renewal, by not requiring the charter school board to exercise affirmative selection (or re-selection) of its management provider at the end of a charter term, may obscure these independent responsibilities and weaken comprehensive evaluation of the contractor's performance. As a result, charter boards should carefully consider whether they want their contractual continuation with a particular management organization to hinge on the single question of whether the school's charter is renewed.

One contract examined for this guide sets forth a type of "conditional automatic renewal" provision, making contract renewal dependent on both (1) renewal of the school's charter, and (2) the contractor's performance. That is, while renewal of the management agreement is presumed to be automatic upon renewal of the school's charter, it is also explicitly contingent on the achievement of specified minimum student learning outcomes. In this way, this arrangement includes in the renewal decision an assessment of the contractor's performance at the end of the charter term, distinct from the question of whether the school's charter is renewed.

While considering the issues and options identified above, charter boards will also need to understand the legitimate interests of the management firms with whom they partner. For a variety of reasons, including the potential need for a longer contract term in order to recoup investments in the school, some management companies favor or require assurance of long-term contract continuation.

In particular, firms that offer charter schools critical start-up assistance such as loans, leases, or guarantees may naturally require both: (1) a longer-term commitment – maximizing the school's payback time – with fewer termination options, in order to recoup their investment; and (2) greater control over the school's educational program, personnel, budget, and other operations.

From the perspective of companies investing significant risk capital in charter schools, such provisions are critical to protect their investment and preserve their institutional viability. Conditions that may require special renewal provisions may include loans to the charter school becoming due when the management contract is terminated, or facility leases with "cross-default" provisions that terminate the lease upon termination of the management contract.

Thus, charter schools seeking loans, investments, leases, or other start-up assistance from management firms may find it more difficult to negotiate flexible arrangements such as year-to-year contracts. Conversely, automatic-renewal provisions will increase their access to these types of start-up aid. Charter boards in this position will have to decide whether the typical tradeoff in these circumstances – in essence, less flexibility and control in exchange for greater assistance and risk capital – will better serve the interests of their school.

The following chart summarizes key issues for various renewal options:

<u>Termination/Renewal Options</u>	
Structure of Termination/Renewal Provisions	Key Distinctions and Considerations
A. Terminates/renewable yearly	<ul style="list-style-type: none"> • Offers the charter board the greatest flexibility and ability to act on a yearly evaluation of the contractor’s performance, whether that means continuing with the same service provider or selecting another. • Difficult to obtain where the school is seeking substantial start-up investments and financial assistance from a management organization, because recouping such investments usually requires long-term commitments.
B. Terminates/renewable at end of charter term	<ul style="list-style-type: none"> • Gives the charter board the option of selecting a new service provider or re-selecting its current one, but does not permit the board to do so without cause until the end of the charter term.
C. Automatic yearly renewal	<ul style="list-style-type: none"> • Operates essentially the same as automatic renewal at the end of the charter term (below), binding the school to the same firm for the duration of the charter (absent for-cause grounds for termination).
D. Automatic renewal at end of charter term (contingent on renewal of charter)	<ul style="list-style-type: none"> • The school may not terminate the contract without cause before the end of the charter term, and contract renewal is determined solely by whether the school’s charter is renewed. • May obscure the respective responsibilities of the charter board and the contractor that arise from two <i>distinct</i>, if interrelated, performance-based contracts, and may weaken fuller evaluation of the contractor’s performance. • Increases schools’ access to risk capital and other significant start-up investments (requiring longer-term commitments to recoup) from management organizations.
E. “Conditional automatic renewal”: Automatic renewal at end of charter term, contingent on renewal of charter and on attainment of explicit educational results	<ul style="list-style-type: none"> • Instead of contract renewal depending solely on the school’s charter renewal (option D above), this arrangement also incorporates an objective assessment of the education provider’s performance – separate and distinct from the charter renewal – at the end of the charter term. Thus, this arrangement reduces conflation of the obligations arising from the school’s charter and management agreement, respectively. • The school may not terminate the contract without cause before the end of the charter term. • Increases schools’ access to risk capital and other start-up investments from management organizations.

A. Termination for Cause

Following is a summary, in no particular order, of the for-cause grounds for contractual termination that appear most frequently in the contracts studied for this guide. Several of the provisions are standard in service contracting; others are specific to the context of contracting for public-school management services.

This is not intended to be a comprehensive list of the reasons for which a charter school board or management company might want or need to terminate a service contract, nor are all of these reasons necessarily applicable to all contracts. In addition to these commonly cited grounds for termination, charter boards should feel free to assert any additional grounds for termination that they believe would be in the school's best interest.

- ◆ Any material violation – or failure to promptly remedy a material violation of a term or provision of any of the following: (1) the management agreement; (2) the charter contract between the school and charter authorizer; (3) the charter law; or (4) other applicable laws or regulations.
- ◆ Failure by the management company to meet generally accepted standards of fiscal management.
- ◆ Insolvency or bankruptcy of either party.
- ◆ Revocation, suspension, or termination of the school's charter, or other licenses, permits, or certifications needed for school operation.
- ◆ Failure by the responsible party to achieve adequate student enrollment.
- ◆ Gross negligence, fraudulent misrepresentation, or other willful misconduct by either party that adversely affects the school's operation, or jeopardizes the school's students or goals.
- ◆ Any interventions or financial transfers that deprive the company of management of a substantial portion (a threshold that may be specified in the contract) of its assets.
- ◆ Commercial impracticability – In agreements where the management company is obligated to temporarily fund operating deficits that the school may suffer, the contract may permit the firm to terminate the relationship if its operating deficit contributions become commercially impracticable, as determined by the company. For example, one contract reviewed permits the management firm to terminate the relationship if, for two consecutive fiscal years, it is required to contribute to the school's operating costs more than 5% of the school's gross per-pupil revenues for the relevant fiscal year.
- ◆ Damage or destruction of property that renders the school's program inoperable.
- ◆ Other circumstances beyond the control of either party – for example, a material adverse impact of any applicable law, regulation, or court decision on the ability of either party to carry out its stated obligations.

Additional grounds for for-cause termination that charter school boards may find useful to consider include:

- ◆ failure (by either party) to provide information needed by the other party to execute its responsibilities in fulfilling the school’s mission;
- ◆ failure to produce satisfactory educational results or make adequate progress toward achieving the school’s stated learning goals.

The last issue listed above merits further comment. Mention of accountability for achieving specific student learning results is surprisingly uncommon in the contracts studied for this guide. Most contracts tend to give adequate attention to administrative and standard contracting provisions, while overlooking the linchpin of both the school’s charter and management agreement. As part of a performance-based contract, the school management agreement’s provisions for renewal and/or termination are an appropriate place to reiterate the management firm’s responsibility to achieve specific goals for student learning. (This topic is discussed further in the chapter on “Performance Oversight and Evaluation,” on page 43.)

The school management agreement’s provisions for renewal and/or termination are an appropriate place to reiterate the management firm’s responsibility to achieve specific goals for student learning.

B. Termination without Cause

A minority of contracts reviewed permit the charter school board to terminate the contract without cause, upon reasonable written notice, such as 90 days. In addition, some agreements allow either party to terminate the contract without cause, upon similar notice, though this provision is more rare.

C. Other Termination Issues

Other termination-related issues that are useful for charter school boards to consider at the initial contracting stage include:

- ◆ ***Implications for charter continuation or renewal.*** In considering the possibility of terminating a school management contractor, charter boards should consider to what degree their school is synonymous with the company’s “product” or unique educational approach – and how a termination might affect the school’s charter status or the renewal decision to be made by the school’s authorizing agency. This issue may also arise in other cases where the authorizer’s confidence in the school depends on its use of some type of essential contracted assistance.

Consider, for example, the case of a school wholly constructed according to a particular firm’s comprehensive educational design, on which the school was initially chartered. If such a contract were terminated, the school’s authorizer might require the charter

board to demonstrate a strong “Plan B” for continuing the school’s program in a manner consistent with the approach approved for the charter.

Scenario: Material Change in Educational Program

Esperanza Charter School has a five-year contract with Lighthouse Education Centers for comprehensive educational programming and management. About half of Esperanza’s incoming students each year are native Spanish speakers, not yet proficient in English. One feature offered by Lighthouse that is especially important to Esperanza is its dual-language, Spanish/English immersion program, which Esperanza’s board and school community believe best meets the multiple needs of the school’s English language learners, while enabling native English-speaking students to become bilingual. Esperanza’s board is very pleased with Lighthouse’s services, and the school has a long waiting list.

After Esperanza’s third year of operation, Lighthouse Education Centers is sold to another company, Skyrocket Learning Systems. Skyrocket Learning Systems announces that beginning in the next school year, all of its schools serving English language learners will follow a structured English immersion model that Skyrocket has been using successfully in nearly 30 schools across the country. Accordingly, the dual-language program at Esperanza will no longer be offered.

Esperanza’s board is dismayed by this news. In addition, upon hearing of Skyrocket’s plan, the school’s authorizer notifies the board that such a mid-course change in instructional approach would be substantial enough to require re-application for the school’s charter, even though Esperanza would have had two years left under its original program.

A substantial change in a school’s design and program would require at least formally amending the charter with its authorizer, but might even (depending on the circumstances) jeopardize the charter. Any charter board considering terminating a school management contract would be wise to consult with its authorizer regarding how termination might affect the school’s charter status and its chances for renewal.

- ◆ ***Intellectual property.*** Termination of an education provider may raise intellectual property issues that would best be addressed clearly in the initial management agreement instead of at the termination stage.

Scenario: Intellectual Property Dispute

Honey Creek Charter School has a five-year contract with Everest Education Management for comprehensive educational programming and services. Honey Creek’s board has experienced a great deal of turnover. By the school’s third year, the board is composed of members who were not part of the school’s founding coalition or involved in selecting Everest as the school’s manager. While they like some of the school’s programs, the new board does not believe Everest’s overall pedagogical approach and management style are well suited for their school goals. They believe they could continue the best of the school’s offerings without Everest, while obtaining lower-cost supplemental assistance from a local university.

Honey Creek’s teachers are employed by the board, though they are under the day-to-day management and direction of Everest. With some support from Everest, these teachers have developed several innovative programs that the board wishes to continue without Everest, and they believe that the teachers would be happy to continue working for the school without Everest.

The board begins to explore the possibility of terminating the school’s contract with Everest. Only then do they learn that Everest claims ownership of all instructional programs, materials and ideas developed by Honey Creek’s teachers while under Everest’s management. If the contract is terminated, Everest asserts that the school will have to pay a licensing fee to continue these programs.

The “Property” chapter addresses intellectual property issues in greater depth, including a discussion of how such property may be treated upon termination of a contract.

- ◆ ***Non-competition/non-solicitation clauses.*** A minority of management companies have attempted to place temporary restrictions, in the event of contract termination, on a charter school’s ability to hire current or previous employees of the management company. Among all the contracts reviewed for this guide, these provisions appear in contracts negotiated by only two companies. Below is a summary of the “non-competition/non-solicitation” provisions that were encountered. This type of contractual restriction is rare, and its enforceability would depend on its scope and structure, as well as state law. In addition, the presence of such provisions may jeopardize a school’s federal tax-exempt status, as the Internal Revenue Service may view this as evidence of lack of independence from a contractor (see the section on “Federal Tax Exemption and Contracting for Management Services,” beginning on page 18).

Firm	Type of Restriction	Duration (post-termination)
X	Prohibits the charter school from employing – or causing or permitting any of its affiliates, agents, or independent contractors to employ – any person who has been an employee, agent, or independent contractor of the management company during the previous year.	1 year
Y	Prohibits the charter school and its affiliates from hiring or soliciting any staff of the management company.	18 months

-
- ◆ **Assets and debts.** Upon the termination of a contract, what may happen to a school’s physical assets (including its facilities) and start-up debt? See the “Property” chapter of this guide for a discussion of these issues.
 - ◆ **Indemnification.** In the event of default or breach by a management company, some contracts hold the company liable to the charter school board for any additional cost (beyond the agreed-upon contract cost) for procuring comparable services from another provider. Management organizations may likewise require indemnification for losses where the charter school is in default or breach.
 - ◆ **Ensuring an orderly transition to new management.** Neither school governing boards nor management contractors like to contemplate the scenario of termination when

If a termination does occur, charter schools can be spared much disruption and grief by having an established plan in place.

sealing their partnership, and many contracts are deliberately structured to make termination extremely difficult. Even so, termination remains a possibility, however remote. If a termination does occur, charter schools can be spared much disruption and grief by having an established plan in place that addresses how the board and departing

contractor will cooperate through the transition. These issues are discussed in the last chapter of this resource guide, “Contingency Planning for New Management.”

V. PERFORMANCE OVERSIGHT AND EVALUATION

The foremost responsibility of a charter school board that contracts for educational programming is to ensure that the contractor performs satisfactorily, meeting agreed-upon goals and standards for student learning. Charter boards are accountable for both the educational and operational performance of their schools. A service provider's contractual responsibility for comprehensive programming and management does not diminish the board's *direct, non-delegable* accountability for the goals stated in the school's charter or accountability agreement.

Charter boards may be interested in a range of issues regarding their school's operations and effectiveness – e.g., parent, student, and professional satisfaction; school climate; parent and community involvement; management efficiency – and may articulate ways to assess a contractor's success in meeting specified goals in such areas. In addition, boards have the public responsibility to ensure their school's compliance with applicable laws and regulations, and should plan and communicate timelines and procedures to fulfill this duty.

Boards should ensure that any agreement with an educational services provider articulates the student learning outcomes expected from the contract.

No less attention should be given to the obligation to produce agreed-upon educational results, which justifies the school's existence. Thus, boards should ensure that any agreement with an educational services provider articulates the *student learning outcomes* expected from the contract. This is necessary for the contractor to understand its charge, and for the board to evaluate the provider's performance intelligently and fairly.

Many of the contracts examined for this guide give detailed consideration to a range of administrative issues that arise in contracts for comprehensive school management services. Surprisingly few, however, give sufficient attention to how the charter school board will carry out its obligation to hold its management contractor accountable for *educational* performance. This chapter is intended to serve as a resource on this issue.

A. The First Step: Clarifying the Relationship and Responsibility for Oversight

Charter boards contracting for educational programming must negotiate two types of accountability agreements or plans: (1) an agreement with the school's authorizer (part of or attached to the charter) setting forth the performance goals for which the *board* will be accountable and how such achievement will be assessed; and (2) an agreement with the educational service provider, articulating the educational goals the *contractor* must achieve and how they will be assessed. In contracts for comprehensive educational programming and

services, the two sets of goals will match one another, as the contractor agrees to deliver an educational program that fulfills all the school’s needs.

Clear explanation of the board’s oversight methods and procedures will smooth the relationship between the school and management organization.

The board is responsible for overseeing the service provider’s adherence to the overarching charter and fulfillment of the performance contract. Thus, it is helpful for the contract to set forth clearly this responsibility to monitor the contractor’s performance, as well as the contractor’s responsibility to produce agreed-upon student learning results and to report regularly on the school’s academic progress. At the same time, boards must

understand how to oversee a service contract without micromanaging or hampering the provider’s performance.

As this chapter will discuss further, clear explanation of the board’s oversight methods and procedures will smooth the relationship between the school and management organization by protecting the contractor’s freedom to operate most effectively, while clarifying both parties’ responsibilities and expectations. In addition, as noted earlier, boards should bear in mind that the more accountability they desire of a management organization, the more autonomy and authority the contractor will need to perform as expected.

Below is sample language from a contract that articulates both (1) the accountability of the school management company to the charter school board to achieve specifically referenced student performance standards; and (2) the responsibility of the charter school board to oversee the company’s performance under the contract:

“[The contractor] shall be responsible for and accountable to the Board for the performance of the Charter School under this Agreement, according to the [state-mandated assessment program], and other assessment strategies as outlined in Appendix B, Assessment and Accountability Plan, to be provided by [the contractor] and approved by the Board, and as provided for in the Amended Charter Application . . . [The contractor] shall provide information to the Board on a regular periodic basis, as set forth in detail below, to enable the Board to monitor [the contractor’s] educational performance and the efficiency of its operation of the Charter School. Nothing in this paragraph shall be construed to be in derogation of the Board’s ultimate legal authority and responsibility for the School under its Charter; rather, it shall be construed as effectuating, in part, those provisions of the Board’s Amended Charter Application which specifically state that, while [the contractor] will manage the School, [the contractor] will also be accountable to the Board for the operation of the School and the achievement of student learning.”

B. Developing an Accountability Agreement with an Educational Service Provider

The following steps will help charter boards develop meaningful educational accountability agreements as part of their contracts with school management or design organizations:

Align the performance measures in the contract with the school’s mission and overarching charter accountability agreement. To realize their school mission, charter boards should ensure that any contract with an educational service provider articulates *multiple school-wide and student performance measures that are aligned with that mission*. These should be based directly on the school’s own charter contract or related accountability agreement with its authorizer. Clear alignment will ensure that the school’s foundational priorities are enshrined in the performance-based contract with the education provider. It will also give the contractor a necessary blueprint for performance, and by meeting the stated goals, the contractor will clearly advance the school in achieving its mission.

Scenario: Creating Assessments Aligned with the School’s Mission

Worldbridge Charter Academy contracted with Lighthouse Education Centers for Lighthouse’s curriculum, customized to suit Worldbridge’s needs. Worldbridge’s charter states that the school will offer an international-studies focus, which Lighthouse has never provided at any other schools it manages. According to their agreement, Lighthouse would work with Worldbridge during the school’s start-up summer to develop an international-studies curriculum amounting to one-quarter of the total curriculum, and would hire staff qualified to deliver the program.

The school’s first year appears to go smoothly, with an international-studies program in place. At the end of the year, the charter authorizer asks for some evidence of Worldbridge’s progress with the international-studies program, and Worldbridge’s board would like to evaluate Lighthouse’s performance in part based on student achievement in this program. However, Lighthouse can provide only the students’ first-year results on the state-mandated tests and Lighthouse-developed assessments. None of these specifically measures student learning in the new international-studies curriculum that is central to Worldbridge’s mission.

A number of contracts reviewed for this guide incorporate by reference another document – i.e., the school’s charter application, charter contract, and/or separate academic accountability plan.⁸ Charter boards choosing to do this (instead of restating the school’s performance goals and measures in the management agreement itself) should ensure that the referenced document indeed contains the specificity and detail needed for (1) the educational provider to understand its charge, and (2) the board to evaluate the contractor’s performance meaningfully and fairly.

Establish clear, specific, measurable goals for student learning at all grade levels, which the educational contractor will be accountable for achieving. The service provider must know the specific criteria by which its performance will be judged – and when it must accomplish each objective. In a contract for comprehensive education management, the criteria set forth in the management contract should, at a minimum, include all the goals the school must achieve to maintain and renew its charter.⁹

⁸ As noted earlier under “Pre-Contracting Considerations,” where such a document is incorporated in the management agreement, the latter should make clear that the former will prevail in the event of conflicting terms or provisions between the two.

⁹ In some charter jurisdictions, charters may be renewed on the basis of reasonable or adequate progress toward meeting pre-defined goals, rather than the strict attainment of all goals. Where this is the case, charter school boards might choose to renew contracts with their education providers on the basis of a parallel standard – e.g.,

Of course, the charter school board is free to set higher requirements for the contractor's performance. In addition, it makes sense for the school's performance goals and evaluation criteria to be tied to the management agreement's provisions governing contract renewal and/or termination. But this cannot be done fairly unless those goals and criteria are articulated and mutually understood from the beginning of the partnership.

Charter school boards can hold their educational providers accountable for producing results only if all standards and expectations are articulated and agreed upon at the outset.

Performance evaluation is most objective and substantive when tied to attainment of clear, specific, measurable standards for student learning – standards arising directly from the state's charter law, charter contract, and/or detailed academic accountability agreement with the charter authorizer. Charter school boards can hold their educational providers accountable for producing results only if all standards and expectations – stemming from the school's own mission as well as state or district requirements – are articulated and agreed upon at the outset.

Like the school's own charter contract or accountability plan, the management agreement should articulate (or incorporate by reference) what students will be expected to know and be able to do at each grade level and to graduate from the school. These measures should include: (1) any standardized test measures that the school is required to use; (2) any other standardized assessment measures that the school might choose to use; and (3) any non-standardized measures of performance that the board and contractor mutually agree on. The latter two items are discussed further below.

What may happen if the school's critical learning objectives are not adequately articulated? Without being tied to clear standards and benchmarks for student performance, general aims and aspirations such as "high student achievement," "parent/student satisfaction," and "adherence to the school's vision" may be too vaguely conceived and subjective to allow a meaningful and fair assessment of a management company's effectiveness. A contract lacking clear performance measures gives the contractor too little guidance and the board little to enforce in the area of academic achievement.

Similarly, vagueness or ambiguity in the management agreement regarding the school's most vital goals may lead to disputes with the educational provider during the term of the charter, as the board and contractor may have reasonable but conflicting views of the contractor's performance. With performance goals and measures clearly defined at the outset, however, it is fair and appropriate for the management agreement to specify failure to produce (or make reasonable progress toward) the agreed-upon educational results as reasonable grounds for termination of the contract.

boards might find it acceptable to renew contracts where the service provider has enabled the school to reach a performance standard judged acceptable for charter renewal, even if that standard is lower than initially outlined in the school's charter. Boards will likely need to consider other factors pertinent to their particular situations before deciding what role, if any, this type of relaxed standard might have in the contract renewal/termination provisions they negotiate with their education providers.

Be prepared to revise and refine the school’s accountability agreements with both the authorizer and management organization. The goals stated in a school’s charter application – or at the time a board first negotiates an agreement with an education provider – typically serve as good-faith statements of intention and expectation. In the real world, schools cannot set more realistic and precise goals until they know their student population and have assessed students’ incoming achievement levels. Thus, where authorizers permit, it is common for charter schools to refine their accountability goals after conducting these baseline assessments. Boards should be prepared to engage in such post-enrollment “reality checks” supported by clear data; it is realistic to expect that the initial agreements negotiated with the authorizer and service provider will need to be reexamined.

Boards should be prepared to engage in such post-enrollment “reality checks” supported by clear data.

Articulate the instruments and measures that will be used to assess student learning and hence, the management company’s performance. These should include, but not be limited to, the particular national or statewide standardized assessments that will be used for these purposes. Clarifying which standardized test(s) will be used to assess student achievement is a straightforward matter that might nevertheless raise unexpected complications.

For example, a management company operating in multiple states might customarily use a particular standardized test that is aligned with the company’s pre-defined learning standards and educational program. This test, however, might not be the same as the standardized assessments required by a particular state’s charter legislation or by the specific authorizer. Accordingly, it makes sense to reiterate in the management agreement the particular standardized assessments each charter school is required – or simply prefers – to use.

Scenario: Agreeing on Performance Evaluation Measures

Chestnut Street Charter Academy has contracted with Skyrocket Learning Systems for comprehensive educational programming. By state law, Chestnut Street is required to administer two standardized tests, a national test and one developed by the state. The school's charter sets forth clear targets for student achievement on these tests, including measures of yearly growth.

Skyrocket Learning Systems agrees to administer these tests at Chestnut Street, while making clear that Skyrocket's preferred assessment is the national criterion-referenced A-Z Learning Index, which aims to measure higher-order skills. The company believes that the A-Z Learning Index is better-aligned to its curriculum and more meaningful than the assessment required in Chestnut Street's state. Thus, Chestnut Street's board permits Skyrocket to administer the A-Z Learning Index at the school, in addition to the other tests. The management agreement with Skyrocket states performance goals on the A-Z Learning Index, but Chestnut Street's authorizer does not agree to give this test significant weight in the school's charter agreement.

After two years of assessments, Chestnut Street students show satisfactory growth as measured by the A-Z Learning Index, but performance on the state-required assessments is poor. The board asks Skyrocket to modify its educational program to focus more on preparing students for the state-required assessments. Skyrocket is hesitant to do so, insisting that its approach provides a higher-quality program and will prove effective by various measures in the long run.

Educational service provider contracts should also explain what role, if any, the following types of measures may play in evaluating the contractor's effectiveness:

- ◆ ***Student learning gains.*** It is useful for accountability agreements to state performance measures in terms of individual student learning *gains* or growth over time, in addition to absolute performance levels. This is particularly important in schools serving significant numbers of students entering below grade level. Many schools develop both types of measures if their authorizers allow consideration of growth data. Where this is the case, the performance contract with an external provider should also state measures in such terms.
- ◆ ***Non-standardized or "alternative" measures of student learning.*** Many schools place a high priority on encouraging student achievement in areas that aren't readily measured by standardized assessments – for example, the arts, leadership, character development, communication skills, technology, service learning, etc. A charter board that values demonstrating growth in such areas should include such measures in its contract for educational services. Some providers have well-developed methods and tools for assessing student learning beyond standardized tests, so they can be particularly helpful on this front. Again, this is an area where the board must ensure a good fit between the provider's offerings and the school's mission.
- ◆ ***Other indicators of school performance.*** Some charter school boards may wish to evaluate a management company's performance partly by additional indicators beyond student learning, such as student attendance and motivation, suspension / expulsion /

graduation rates, parent and student satisfaction, parent and community engagement, school climate, staff satisfaction, etc. Other charter school boards may prefer to judge the management contractor’s performance solely on the “bottom line” of student achievement. If a charter school board wishes to include such supplemental indicators in the evaluation, it will need to decide (1) how to measure success in the desired areas and (2) how much weight they will carry in assessments of the management company’s performance.

One factor (not present in any of the contracts reviewed for this guide) that boards might wish to consider is *chartering agency satisfaction* – that is, the success of the service provider in maintaining a healthy and productive relationship with the school’s charter authorizer. This would be useful to assess primarily in the case of comprehensive school management firms whose responsibilities include communicating and interacting regularly with the chartering agency. Of course, such an assessment would be valid and useful only where the chartering agency has no preexisting bias against charter schools or management firms. Charter boards may legitimately be interested in this question, as the management organization’s track record in areas of concern to the public authorizer may ultimately affect the school’s charter renewal decision.

A charter school board will need to decide (1) how to measure success in the desired areas, and (2) how much weight they will carry in assessments of the management company’s performance.

Ensure that the service provider’s program is fully aligned with the school’s needs and requirements. Many charter school boards choose to contract for educational services precisely because they are not equipped to undertake the complex task of developing learning standards and assessments. Thus, they seek a school management or design organization’s expertise, and there is no doubt that the pre-developed learning standards and assessments offered by such groups can be tremendously valuable to charter schools. At the same time, however, the “packaged” standards and assessments offered by a particular education provider might not align completely with all the goals of a given charter school.

Some boards or school founders may wish to augment a service provider’s “package” with additional standards and assessments to give full life to their school’s mission. Depending on their nature and offerings, not all education providers are equally willing and able to incorporate such supplemental standards and assessments in their performance-based contracts with individual schools. Augmentation of educational programs developed by a school management or design organization will require negotiation with the particular provider.

To ensure that a given educational contractor will be prepared to meet particular academic requirements for maintaining a school’s charter – requirements both set forth in state law and negotiated with the school’s authorizer – the board may wish to ask prospective contractors to demonstrate how their pre-established standards and assessments will meet these requirements. Because charter requirements vary greatly by jurisdiction and locality, boards or school founders should not assume that any particular company’s educational program – however well-developed or widely implemented – will align automatically with the school’s charter

requirements. Adjustments may be needed, and to create an effective partnership, both parties should understand at the outset any necessary or advisable modifications. In establishing or double-checking the school’s learning standards and assessments, charter school boards that do not have substantial educational expertise would benefit from consulting with educators who have successfully developed learning standards and aligned assessments.

C. Other Matters to Address in Contracts for Educational Services

In addition to the accountability measures discussed above, contracts for educational services should also detail matters such as the following:

Oversight and evaluation methods, procedures, and timelines. How often, and in what ways, will the board review the management company’s progress in meeting the school’s educational goals? Frequent reporting on academic progress – as opposed to solely administrative issues – will help, but may not be sufficient to judge a management company’s overall effectiveness. How often will board members visit the school to evaluate the educational program and provider, and what will the board expect to see or do on such visits? How will the parties ensure that the board’s visits and other evaluation efforts do not disrupt the school’s functions or result in “micro-managing” the contractor? Will the board engage an external evaluator to assess, or help assess, the contractor’s effectiveness? (External evaluations are discussed further below.)

Articulation of the board’s oversight and evaluation methods is essential to a well-functioning relationship between the board and its educational contractor.

Articulation of the board’s oversight and evaluation methods is essential to a well-functioning relationship between the board and its educational contractor, and will protect the interests of both parties. Clarity regarding how the board will monitor and evaluate the contractor’s performance will ensure that: (1) the management company has the degree of freedom needed to implement its program effectively; (2) the board observes and understands the school’s workings sufficiently to make fair, well-informed judgments regarding the contractor’s performance; and (3) the board exercises its oversight and evaluation powers thoughtfully and legitimately.

Reporting requirements. How – and how often – will the management provider be required to report on student and school progress to the board? What information will the reports have to contain, and in what form must it be presented –e.g., written reports alone, or written reports accompanied by oral presentations at board meetings? The contract should set forth all reporting requirements and expectations, with particular attention to reporting on student achievement and progress toward meeting the school’s educational goals and benchmarks.

Again, it will be necessary to distinguish educational from financial and other operational reporting. Most charter school boards expect frequent and regular reporting from their

management companies on the gamut of school operations, including curriculum and program developments; student and parent activities and events; professional development activities; and financial reporting. However, with the exception of financial reporting, many of the contracts examined for this guide only vaguely address reporting requirements, including the vital area of student growth and achievement. Thus, it is difficult to generalize about the range or frequency of reporting required by various boards.

On the matter of financial reporting, the contracts reviewed are fairly consistent: most charter school boards require financial reporting from their educational providers (including detailed revenue and expenditure statements, consistent with Generally Accepted Accounting Practices or other requirements of state law or the charter authorizer) at least quarterly, and in some cases, monthly.

The timing of all reports required by the management company is another important issue for boards to consider. For practical reasons, the educational provider's reporting cycle should be one step ahead of the charter school board's own public reporting obligations. Most boards are required to report on the school's progress at least annually to their authorizer and/or the state. Accordingly, boards contracting with management firms should ensure that they receive sufficiently detailed information about the school's educational and operational performance in plenty of time for them to fulfill their own reporting responsibilities.

External evaluations. Charter school boards and/or management companies may seek an evaluation of the contractor's performance by an impartial, third-party evaluator. The value of an external evaluation may depend on the board's own capacity to monitor and make well-informed judgments about the school's progress.

External assessments may be particularly useful to boards that do not have significant educational expertise within their ranks, or boards whose oversight of the contract is light or inconsistent (whether due to management style, lack of staff, or any other reason). Many management firms welcome and may even request external evaluations as an impartial judgment of their effectiveness.

If a charter school board contemplates or intends to seek an external evaluation, it would be helpful for the contract to define the role and structure of the evaluation: Will it be the sole, official assessment on which to base the contract renewal decision, or will it simply be used to augment or verify the board's own findings? How will the external evaluator be chosen? Will the management company have the right to approve the selection of the evaluator? How will the evaluation be funded?

A description or outline of intervention procedures – along with the conditions that would trigger them – is useful to include in the management agreement.

Conditions, standards and procedures for board

intervention. What may the charter school board do, short of terminating the contract, if it receives unsatisfactory progress reports or other evidence that the school is not making adequate progress toward its goals? A description or outline of intervention procedures – along with the conditions that would trigger them – is useful to include in

the management agreement, because it will help ensure that: (1) the board is prepared to respond to signs of trouble promptly and in a well-planned manner that is foreseeable and agreed to in advance by the contractor; and (2) the board intervenes only when justified.

This latter point – justification for intervention – is more important than it might initially appear: if the board is to hold the service provider fully accountable for performance on the contract, it must refrain from actions that could be viewed as “micromanaging,” interfering with the contractor’s performance, or otherwise diminishing the company’s effectiveness.

Most contracts reviewed in preparing this guide do not set forth intervention procedures, short of contract termination, that the charter school board might follow, nor do they discuss the conditions that could give rise to such action. Below, however, is an example of an intervention strategy outlined in one contract:

“In the event [the contractor] fail[s] to (i) submit satisfactory Progress Reports; or (ii) satisfy performance standards as described in the attached exhibits as determined by [the board] in its reasonable discretion, [the board] shall give [the contractor] sixty (60) days notice of such failure. During such sixty (60) day period, [the board] staff or representatives will provide or arrange for technical assistance, as needed, to enable [the contractor] to cure such defaults. Furthermore, [the board] shall have the right, in its reasonable discretion, to engage consultants to evaluate and assist the School in meeting its goals and performance standards as set forth in the Proposal and the attached Exhibits. [The contractor] shall use its best efforts to assist [the board] and its staff, advisors, evaluators and consultants in remedying the defaults in the School’s Progress Reports and /or performance standards; provided, however, that in the event such defaults are not cured during such sixty (60) day period, [the board] shall have the right to terminate this Agreement without any further obligation or liability on the part of [the contractor].”

To provide some idea of the range of ways that charter school boards are working with management companies, the following box summarizes the performance oversight and evaluation areas, methods, and timelines found in contracts with various school management organizations:¹⁰

¹⁰ Each letter represents a different management organization. Identical letters followed by numbers represent the same firm but indicate contracts with different schools.

Performance Oversight and Evaluation Provisions in Contracts

Firm	Areas of Evaluation	Methods and Tools	Timeline
A1	Parent/student satisfaction	Written survey rating school as “Excellent,” “Good,” “Fair,” or “Poor”	Annual – first administered by the end of the school’s 2 nd year (by a mutually agreed-upon third party if the board and firm are unable to agree upon the evaluation mechanism)
A2	Educational program and its fulfillment of the “vision of the charter”	Ongoing external evaluation by mutually chosen evaluator (person or organization); at least 4 visits to school each year, after 2 nd year of operation	Evaluator appointed by end of school’s 2 nd year. Within 2 months, evaluator must submit an interim letter reporting on the school’s educational program to the board and the firm. Evaluation continues each year, with annual reports. The letter and subsequent reports rate the school as “Excellent,” “Good,” “Fair,” or “Poor,” setting forth findings to support the rating
B1	Educational performance and progress, in accordance with the criteria and assessments set forth in the charter application	Progress reports	Provided at each regular meeting of the charter school board
B2	Same as B1	Progress reports	Provided to the board twice a year, and more frequently upon reasonable request
C	Parent satisfaction	Written survey administered by the board, rating the school as “Excellent,” “Good,” “Satisfactory,” “Poor,” or “Unacceptable”	Annual
D1	Academic and educational standing of students	Progress reports	“Periodic” (undefined in contract)
D2	Progress in attaining pre-defined student outcomes	Report	Annual
D3	Same as D2	Visits by board to observe educational processes, review data, and confer with staff	Reasonable opportunity, as determined by mutual agreement
D4	Same as D2	Independent evaluation(s)	Unspecified
E	Progress in meeting academic goals	Public report/assessment	Annual
F	Program effectiveness	Site visits; observations; interviews; questionnaires to parents, students, and staff	Unscheduled – as desired by board

Because of the complex and continuously evolving nature of educational improvement, it is conceivable that either party to a school management agreement may propose modification, clarification, or augmentation of particular student performance goals and/or assessment methods once the school is operating. Thus, it would be helpful for the contract to recognize this possibility and set forth a procedure to address potential changes to the educational program that may be proposed after the contract is executed. Depending on their significance, such changes may also require the approval of the school’s charter authorizer.

The performance assessment tool cited in the box below – developed by one charter school for evaluating its educational service provider – may be a helpful resource for other charter school boards seeking a tool to guide evaluation of their contractors.

Sample Performance Assessment Tool

Education Service Provider Quality and Performance Assessment, developed by the School Lane Charter School (Bensalem, PA).

Available in the National Association of Charter School Authorizers' *Resource Toolkit for Working with Education Service Providers*, online at:

<http://www.charterauthorizers.org/site/nacsa/section.php?id=43>

VI. COMPENSATION AND FINANCES

How much will the management company be paid for its services? What will be the role of the board in overseeing the school’s financial affairs? What will happen if the school runs a deficit? These issues are among the many financial concerns that management contracts must address.

To create clarity in financial affairs, management contracts need to address at least these six central issues:

- ◆ Allocation: What funds will be available to the management company for the operation of the school?
- ◆ Budget: Through what process will the board adopt an annual budget for use of the allocation?
- ◆ Compensation: What payments will the management company earn?
- ◆ Deficits and Surpluses: What happens if expenses exceed revenues or vice versa?
- ◆ Oversight: How will the board oversee the school’s financial health?
- ◆ Debts: How will any debts owed by the board to the management company be repaid?

Many financial issues—including how the board oversees the service provider’s use of funds, how the service provider is compensated, and the terms under which any ancillary services are offered—may have implications for the school’s tax status under the Internal Revenue Code. With the exception of compensation arrangements, however, these implications will not be discussed here because they are covered extensively in the section on “Federal Tax Exemption and Contracting for Management Services,” beginning on page 18.

A. Allocation

A charter school management contract needs to specify clearly what funds will be available to the management company for the operation of the school. Contracts lie along a continuum on this issue. At one end of the continuum, some contracts state that literally all funds flowing to the school—the public funds to which the school is entitled as well as any private or public funds garnered by fundraising—become available to the management company. At the other end of the continuum, some contracts make as little as 75% of the total available to the

management company—the charter school board retains the rest for carrying out its responsibilities, including staffing for the board.

A charter school management contract needs to specify clearly what funds will be available to the management company for the operation of the school.

The allocation that makes sense for a particular school will depend upon the division of roles and responsibilities between the board and the management company, discussed above. Boards that retain a large fraction of the

school's revenue for their own use typically assume some major responsibilities that entail direct costs. For example, one charter school board takes care of all debt retirement and lease payments for the school, requiring it to withhold more than \$1 million per year in revenues. Another covers the cost of the school's audit, a much more modest expense. To create a sensible allocation policy, boards and companies first need to make clear which expenses each party will incur.

But what about charter boards with more modest expenses? Charter boards that contract with management companies typically face three kinds of residual expenses: administrative expenses arising from the functions of the board (for example, the costs of staffing, meetings and correspondence), expenses related to the evaluation of the management company's effectiveness, and the costs of legal representation for the board. Charter boards can handle these expenses in one of two ways:

- ◆ by specifying in the contract that some dollar amount or percentage of funds will be retained by the charter board for these purposes, or
- ◆ by utilizing the budgeting process (outlined below) to ensure that funds are available for these board functions.

Scenario: Lack of Funds for the Board's Business

The contract between the board of Chestnut Street Charter Academy and Skyrocket Learning Systems stipulates that each year, the board may conduct an independent evaluation of the company's performance. In the fall of 1999, the board issues a Request For Proposals to area researchers, interviews prospective evaluators, and selects Outcomes Unlimited to perform a \$35,000 study of the school's performance.

When Outcomes Unlimited presents its first invoice to the school's business director, however, Skyrocket refuses to pay. Though the contract allows for an evaluation, Skyrocket says, the board must assume the costs of such a study. The school's budget — approved by the board — contains no funds for the evaluation.

B. Budget

Most management contracts require the management company to submit an annual proposed budget for the upcoming school year. The board reviews the budget, works out any needed changes with the management company and formally adopts it.

Contracts typically specify a timeline under which the budgeting process should take place. It is important that this timeline mesh with timelines imposed by the charter authorizer or other authorities and that it address milestones such as:

- ◆ a date by which the management company must submit the proposed budget;
- ◆ a date by which the board must indicate any problems it sees with the budget;

-
- ◆ a date by which the management company must submit a revised budget;
 - ◆ a date by which the board must approve a final version.

Though specifying a formal budget adoption process is vital, management company officials and board members alike emphasize the need for less formal negotiation around and revisiting of the budget. Budgets are critical to both parties. The budget is one of the most important tools in the board's toolbox, through which it sets basic policies that govern the school's operation. The budget drives many key aspects of the school's management, including class sizes, staff compensation, instructional resources available to students, and the quality of services like food and transportation.

From the management company's perspective, the budget sets the parameters under which the company will have to work day in and day out to manage the school. The company's financial security hinges on the viability of the budget. For these reasons, it is essential that the board and the company leave the budget approval process with a plan that makes sense from all sides.

A key value in budgeting is transparency: the board, the management company, the school director and arguably other stakeholders need to understand fully both the budgeting process and the actual numbers that make up the budget. This transparency needs to extend beyond the budget-setting process as well—all parties need access to up-to-date information about the status of the budget as the year moves forward.

Scenario: Lack of Clarity about Budget Assumptions

Each year, the board of Bright Tomorrow Charter School reviews and approves a budget submitted by Everest Educational Management. The budget is not very detailed, showing line items in broad categories like "Personnel" and "Facility" with little explanation.

A couple of months into one school year, the board begins to receive complaints from parents that the classes at Bright Tomorrow are too large, with as many as 32 children in one third-grade classroom. Since small, intimate classes were part of the board's founding vision, members are alarmed at the news. Confronted with the issue, Everest suggests that budgetary realities make the large classes necessary. When the board asks for a detailed analysis, the numbers indeed show that balancing the budget would be nearly impossible with significantly smaller classes. Everest offers a plan for reducing class sizes the following year by trimming other programs and expenses, but it's too late this year to make those changes.

C. Compensation

One issue the contract must address is how to determine the management company's compensation. The management agreements studied for this guide include numerous mechanisms, outlined in the box on the following page.

Various Ways to Compensate Service Providers

- **Surplus.** Some contracts simply allow the management company to retain any annual surplus as profit.
- **Percentage of revenues.** Most of the contracts reviewed for this guide provide the management company with a percentage of the school's revenues. Though the percentages in these contracts range from 7% to 22%, these numbers are derived in highly variable ways and thus may not be good rules of thumb for any particular school. In several cases, management companies have the opportunity to earn greater compensation through two mechanisms:
 - **Surplus.** One contract allows the management company to retain any budget surplus in addition to claiming percentage-based fees.
 - **Bonus.** Other contracts award the management company an additional 2.5%-3.5% of revenues if it meets performance targets related to student achievement, parent satisfaction, enrollment, or a third-party evaluation of the school's overall success.
- **Fees budgeted annually.** Some contracts do not specify the management company's compensation. Instead, the board and management company negotiate compensation annually through the budget process.
- **Flat fee.** Though no reviewed contracts use this device, another possibility is to pay a flat dollar amount for service.
- **Fees for specific services.** In the case of providers offering specific, rather than comprehensive, services, contracts may include precise fees for particular services purchased.

Following are some important considerations to keep in mind when negotiating a compensation agreement:

- ◆ **Consider the incentives inherent in different arrangements.** Management companies face a wide range of performance incentives in carrying out charter school contracts. For example, they may want to show good results and have satisfied customers so they can build more business over time. Incentives built into the contract are just one set of motivations for management companies. Still, it is worth considering the incentives that different arrangements create.

Providing a percentage of revenues creates an incentive to bring in more dollars. This motivation could translate into a drive for higher enrollment; if so, make sure that's what the board wants as well. The surplus method creates an incentive to cut costs; make sure the board has mechanisms in place (through budgeting, oversight, and key policies) to ensure that cost-cutting does not compromise or diminish the achievement of the school's goals. Some contracts reviewed for this guide specify parameters for class sizes, computer capacity, and insurance coverage to ensure that the management company does not skimp on certain important expenditures. Bonus schemes create their own unique incentives; work hard to align these with the school's mission.

Certain incentive structures make more sense in particular contexts. For example, if the management company's school program is highly structured and very clear at the outset, surpluses are most likely to come from operating efficiencies rather than by cutting corners on programmatic needs. In this case, a board might be more comfortable with a surplus arrangement than it would be when working with a less well-defined program.

Scenario: Pressures to Boost Enrollment

Rainbow Charter School's contract with Everest Education Management provides 21% of the school's revenues to Everest each year. When enrollment for the year exceeds the target by 100 students, board members become worried that the school will lose its small-school culture. They accuse Everest of over-enrolling to boost fees.

- ◆ **Carefully define revenues.** Whether the school is providing the company with a percentage of revenues or with any budget surplus, defining what counts as "revenue" is critical. Among the questions that should be considered are:
 - Does "revenue" entail all funds received by the school, including grants received from private donors or competitive public programs? Including all funds can be expected to enlist the help of the management company in fundraising (which requires clear definition of the respective fundraising responsibilities of the board and contractor, as discussed in the chapter on "Roles and Responsibilities"). But in surplus arrangements, grants that come in unexpectedly may simply end up in the pocket of the management company unless the budget is adjusted. Schools concerned with 501(c)(3) federal tax exemption should be aware of the risks that such arrangements pose to tax-exempt status, discussed below.
 - Does "revenue" include such things as receipts from school lunch sales or athletic events, fees charged for before- and after-school programs, and other ancillary revenues?

Scenario: Problems with Revenue Definition

Rainbow Charter School receives a \$1 million grant from an anonymous donor. Rainbow's management contractor, Everest Education Management, argues that it should receive 21% of the funds, since their management agreement gives it 21% of "all school revenues."

- ◆ **Clarify all services and resources the contractor will deliver, and know their market cost.** As noted earlier, trying to compare compensation arrangements proposed by various management organizations is often like comparing apples and oranges – the packages may be based on different definitions of revenues or provide differing types and levels of services. Even given such variability, though, charter boards can make well-informed and wise choices by ensuring that (1) they understand and desire the specific services and resources promised under any management organization's

proposed fee structure; and (2) the proposed fee for all included services and resources is market-rate.

- ◆ **Specify a payment schedule.** When does the management company draw its fees? Monthly? Quarterly? At year-end?
- ◆ **Watch terminology.** In most contracts studied for this guide, the contractor’s compensation is called a “management fee.” In one case, half of the fee is called a “management fee”; the other half a “licensing fee” for the use of the company’s instructional program and materials. Boards confronted with licensing or similar fees might ask for clarification of what the school receives in return.
- ◆ **Deal appropriately with restricted funds.** Keep in mind the restrictions attached to funds from some sources that may prohibit certain kinds of compensation arrangements (see box below).

Dealing with Restricted Funds

Management contracts that guarantee the management company a percentage of all revenues may run into problems if funding sources, whether public or private, prohibit a grantee from transferring a percentage of a grant to a third party in this automatic fashion. In that event, a charter board has several options including:

- Administering those grant funds itself, for example by incurring expenses directly rather than having the management company do so; or
- Contracting separately with the management company to administer the funds through a mechanism that is acceptable to the funder.

For the board’s protection, it is important to state in the contract that such restricted grants are exempted from the management-fee provisions of the contract.

- ◆ **Probe legal issues related to 501(c)(3) status.** Certain kinds of fee arrangements may call into question a charter school’s eligibility for status as a charitable organization exempt from federal taxation and for federal charter school start-up grants. Charter boards that appear to be mere pass-throughs to for-profit companies may find it difficult to obtain or maintain 501(c)(3) status or federal charter school start-up grants.¹¹

¹¹ Charter schools entering into contracts with for-profit companies for day-to-day school management “must be held by the State and the cognizant chartering authority to the same standards of public accountability and requirements that apply to all public charter schools, including State student performance standards and assessments that apply to all public schools; and the charter school must supervise the administration of the PCSP grant and is directly responsible for ensuring that grant funds are used in accordance with statutory and regulatory requirements.” Statement of Non-regulatory Guidance, Public Charter Schools Program, U.S. Department of Education, Office of Elementary and Secondary Education (March 1999).

Note: This non-regulatory guidance applies only to charter schools receiving federal start-up grants under the Public Charter Schools Program (PCSP). It addresses questions the Department has received regarding various

Of course, different state laws require different corporate forms for charter schools. Some establish charter schools as public corporations rather than nonprofits; these organizations are exempt from federal taxation without necessarily having 501(c)(3) status. All else being equal, charter schools in these states have more flexibility with regard to their relationships with for-profit management companies.

But for schools that have or are seeking 501(c)(3) status, boards should consult IRS guidance on this topic. See the box “Compensation Arrangements and 501(c)(3) status” on the following page for more information.

provisions of the PCSP statute, including the involvement of for-profit organizations in charter schools. These guidelines do not contain all of the information charter schools will need to comply with PCSP requirements, but are intended merely to provide guidance on the PCSP and on examples of ways to use it. For additional information about this federal grant program, see the U.S. Department of Education’s charter schools website, <http://www.uscharterschools.org>, or contact the PCSP Office, U.S. Department of Education, 400 Maryland Avenue, S.W., Room 3E122, Washington, D.C. 20202-6140. Telephone (202) 260-2671.

Compensation Arrangements and 501(c)(3) Status

As described in the section “Federal Tax Exemption and Contracting for Management Services,” above, charter schools seeking tax-exempt status under section 501(c)(3) of the Internal Revenue Code must be mindful of the ways in which its contracts with management organizations can affect the IRS’s determination. Compensation arrangements are likely to face particular scrutiny since they could well be the source of benefits that are impermissible for nonprofits to confer on private parties. Compensation structures that grant the management company the school’s annual operating surplus, give the contractor a percentage of *all* school revenues, or include certain types of bonuses or other incentives are especially likely to trigger heightened review by the Internal Revenue Service.

Charter boards should be sure to have an attorney familiar with nonprofit taxation counsel them on structuring an acceptable compensation plan. In general, though, here are some characteristics of compensation plans that make them more likely to pass IRS muster:

1. The compensation plan is the result of a completely arm’s-length contractual relationship overseen by an independent board of directors, and the contractor does not participate in the management or control of the school in a manner that affects the compensation arrangement.
2. Prices and operating costs are reasonable, market-rate, and commensurate with the services provided.
3. A ceiling or reasonable maximum is in place to avoid awarding windfall gains to the contractor.
4. The compensation plan serves a discernible business purpose of the school (e.g., achieving maximum efficiency and economy in operations) and furthers the school’s educational success, independent of any benefit to the service provider.
5. The plan does not demonstrate the potential to reduce the services the school would otherwise provide (e.g., a certain percentage of the school’s net revenues is reserved for expanding or improving educational services).
6. The contractor’s compensation is not dependent principally upon the school’s incoming revenue but upon accomplishment of the objectives of the compensatory contract (e.g., success in keeping actual expenses within budgeted amounts).
7. The compensation plan does not transform the principal activity of the organization into a joint venture between the organization and the contractor.
8. The compensation plan is not merely a device to distribute all or a portion of the school’s net revenues to persons controlling the school.
9. The compensation plan rewards the contractor only for services actually performed.

The IRS evaluates school applications for tax exemption on a case-by-case basis, taking into consideration all relevant facts and circumstances. A useful rule of thumb is that compensation should be reasonable, market-rate, commensurate with the services provided, and the result of arm’s-length bargaining by an independent board of directors.

D. Deficits and Surpluses

What happens if expenses end up exceeding revenues? Or vice versa? Contracts should make it clear what happens in these instances. Here are the ways in which a sampling of contracts handle deficits and surpluses:

- ◆ **Deficits:** Most contracts reviewed for this guide require the management company to fund any operating deficit. In some contracts, the company can make up its loss by retaining a surplus in the next year or two, though generally not beyond that point. Some contracts allow the company to terminate the contract prematurely in the event of two successive annual deficits. Other contracts differentiate between causes of deficits, for example by holding the board liable for deficits caused by enrollment shortfalls and the company liable for excessive spending.
- ◆ **Surpluses:** As noted above, some contracts allow the management company to take any surplus as profit. Others specify that surpluses shall revert to the board or be used by the management company for school-related purposes. Others are silent on surpluses. But it is essential for management contracts to address the possibility of both deficits and surpluses in some way.

Many charter boards that run a surplus seek to build up a reserve fund over time. Such a fund can make it easier to finance a new facility, or can simply provide a cushion for a period of financial hardship. Charter boards can discuss with their management companies ways of building up such a reserve while still compensating the management company adequately for its services.

Contracts should make it clear what happens if expenses end up exceeding revenues or vice-versa.

Since different accounting methods can result in vastly different calculations of surpluses and deficits, it is important to specify, in the contract or elsewhere, what methods will be used to arrive at these calculations. For example, one contract specifies that deficits will be determined on an accrual basis consistent with Generally Accepted Accounting Practices.

E. Financial Oversight

The board's role in money matters does not stop with the approval of an annual budget. Boards need effective ways to oversee financial affairs in the school. Contracts studied for this guide contain provisions designed to ensure that boards are involved on an ongoing basis. Issues not addressed in contracts should be dealt with in the fiscal policies the board has established.

- ◆ **Processes for amending budgets.** Since budgets rarely project the year ahead with complete accuracy, it is important to have provisions in place for budgetary changes. To smooth the management process, most contracts allow some degree of change to take place without board review. But most contracts also specify some threshold above which the management company must seek board approval for the change.

For example, one contract requires board approval for changes within a major budget category amounting to more than 10% of the category's total budget. One additional note: if the management company's compensation is handled as a budget line-item rather than a contractual provision, it is especially important to address changes in that line item explicitly.

- ◆ **Mechanisms for board review of certain expenditures and contracts.** Once the budget is set, the management company is generally free to go about operating the school with relative autonomy. But there may be certain kinds of financial decisions the board will insist on reviewing. As described in the chapter on “Roles and Responsibilities,” these reviews often concern major subcontracts into which the management organization seeks to enter.
- ◆ **Reporting by the management company to the board.** The board (or an officer or committee of the board) should also review periodic reports from the company on the school's financial status. See the box below for some examples.

Reports Required by One Sample Management Contract:

- unaudited financial statements (within 30 days of the end of each quarter);
- audited annual financial statements (within 120 days of the end of each fiscal year);
- monthly and year-to-date budget variance reports, balance sheets, and cash flow statements (within 30 days of the end of each month);
- monthly written reports on the charter school's overall progress (within 30 days of the end of each month).

- ◆ **Audit procedures.** Obtaining audits of school finances is an important part of board oversight (and quite often a requirement of state law). As the agent ultimately responsible for the school's fiscal health, the board — rather than the management organization — should select, hire, and oversee the auditor.

F. Debts

Scenario: Lack of Clarity about Repayment of Investments

Under its five-year management agreement with Summit Academy, Skyrocket Learning Systems provides needed start-up and capital improvement funds to Summit, supplementing the school's per-pupil revenues on an as-needed basis. Significant funds have gone toward renovating a facility that Summit leases from a social service agency. After three years, Skyrocket has invested over a million dollars in the Academy, but Summit decides to terminate its contract with Skyrocket. Skyrocket demands repayment within one year of the start-up and capital funds it has provided Summit, at an interest rate far higher than Summit's board ever expected. The contract between Skyrocket and Summit says nothing about the terms of repayment.

In many cases, management companies provide some kind of up-front funding for a charter school before the school's revenues begin to flow in. This funding may come as a formal loan. Or the management company may simply incur certain out-of-pocket expenses in conjunction with the opening of the school for which it expects to be repaid over time. Alternatively, management companies may guarantee financing obtained by the board.

Many of the contracts reviewed for this guide contained no clear terms surrounding these up-front investments. Lack of clarity on this point, however, has led to serious problems in several charter schools — especially those whose boards have chosen to terminate agreements with management companies. In the case of termination, is the board obligated to repay the company for its investments? Or were those investments part of the risk taken by the management company? If the board must repay debts, under what terms (interest rate, timeframe) must it do so? If the company has provided a guarantee for financing received by the board, may the company cease the guarantee upon termination? Leaving these questions until after termination is a recipe for confusion.

Management agreements reviewed for this guide contain three kinds of provisions related to such funding:

- ◆ **Escrow provisions to ensure start-up investments are made.** One contract requires the management company to place a certain amount of funds in an escrow account, out of which the school's start-up costs will be paid. This provision ensures that the promised investments take place. Ideally, the board would also adopt a budget for such expenses, much as it adopts a budget for annual expenses.
- ◆ **Explicit terms regarding repayment.** For any funds that the management company expects the board to repay, the parties should execute an explicit agreement setting forth the terms of such repayment. The agreement should specify the timetable on which the board must repay the debt and the interest rate the board must pay for the use of the funds. For maximum clarity and flexibility, this agreement should be separate from (and referenced in) the management agreement.

-
- ◆ **Explicit terms related to termination.** This separate agreement should contain specific provisions for what will happen in the event the board or the management company elects to terminate the agreement. One possibility is for the repayment of debt to be completely separate from the management contract. Under this scenario, the board continues to make payments to the company just as it would if the management contract remained in force. Such an agreement should include a provision that sets forth the terms under which the board can “pre-pay” the debt, paying off its remaining obligations in a lump sum.

Both parties need to understand what debts have been incurred and how repayment will occur.

Another possibility is to have the terms of repayment change upon termination of the management contract. For example, one contract requires the board to repay any outstanding debt to the company and release the company from any loan guarantees within a year of termination. A board should scrutinize such provisions carefully, since they may make it difficult for the board to exercise its right to terminate the management contract. If the board agrees to such provisions, it should ensure that they clearly spell out the conditions of repayment.

Overarching all of these specific provisions is the importance of transparency: both parties need to understand what debts have been incurred and how repayment will occur.

VII. PROPERTY

When a charter board and a service provider work together in the implementation of a charter school, they put into use several kinds of property—both intellectual and physical. Management contracts need to make it clear who owns various kinds of assets, the conditions under which the parties may use this property and what happens to property in the event the contract is terminated.

A. Intellectual Property

Scenario: Property Rights upon Termination

Roseville Academy of the Arts has a five-year contract with Star Educational Pathways to provide an arts-focused K-12 program and comprehensive school management. The program is popular in the community for providing an educational opportunity that didn't previously exist in the district. The management company owns the school's state-of-the-art facility, which it bought and renovated specifically for Roseville and now leases to the school. Tailor-made for Roseville's arts programs, the campus is also far superior to any other educational facility in the region.

In the school's third year, Roseville's board continues to approve of many elements of the arts program offered by Star; however, they have numerous criticisms of Star's management style. In addition, the board has come to believe that Star's fee for management services is too high. The board is considering not renewing Star's contract when it expires, believing that they can continue a strong arts program on their own and can purchase back-office services more economically from other providers. Upon hearing this, Star Educational Pathways informs Roseville's board that the entire arts program currently offered at Roseville is proprietary to Star, and Roseville may not continue implementing any of its elements without a contract or licensing agreement with Star.

Roseville's board disagrees. They argue that since its inception at Roseville, the arts program has been significantly augmented and strengthened by several visionary teachers - who, though recruited and managed by Star, are employees of Roseville's board and are willing to stay at the school with or without Star. The board maintains that these teachers have partial ownership rights over the arts program, and that the school need not have a contract with Star to continue curricular features that they themselves developed. The company rejects this view and further informs the board that the school's lease is contingent on continuing its contract with Star.

“Intellectual property” is the legal term for all the concepts, methods, materials, software, and other idea-based assets associated with an enterprise like a school. Owners of intellectual property may understandably be concerned about maintaining the right to benefit financially from the use of the ideas in the future, to control the use of the ideas in other settings, and to guard closely certain aspects of their intellectual property. Contract provisions need to safeguard these rights in a way that makes sense for the school and accords with state laws about the public nature of information in charter schools.

Most management agreements studied for this guide make a distinction between two types of intellectual property: (1) ideas developed prior to the execution of the contract, and (2) ideas developed in the process of implementing the contract.

Property developed prior to the contract. Most of the contracts reviewed state clearly that any intellectual property developed prior to the management relationship will remain the property of the original owners during and beyond the term of the contract. For example, if either a board or a management company comes to the relationship with a pre-developed educational program that will be used in the school, all of the concepts, materials, and the like associated with that program remain the property of that party.

Charter boards should be careful not to obligate themselves in a contract to keep secret ideas that they will be required under the law to disclose.

Often, contracts bestow non-owners of the property with a “non-exclusive, non-assignable license” to use the property within the school during the contract term. By “non-exclusive,” these contracts mean that the party granting the license (e.g., the management company) is free to grant a similar license to others, perhaps other schools. By “non-assignable,” the contracts make clear that the property is only to be used directly by the license-holders—they are not free to license others to use the ideas outside of the school itself. In some contracts, this license extends even if the contract expires or is terminated. One agreement allows the school to continue using the company’s copyrighted program for the remainder of its charter term even if the school and company are no longer working together. Another grants the school a license to use the company’s program indefinitely.

For charter boards, three caveats are in order regarding this kind of property:

- ◆ **Consider the value the school’s mission may place on public disclosure and idea-sharing.** For some charter schools, a central part of the school mission is to share lessons learned with other schools. If such sharing is part of a school’s mission, the board may want to rethink any non-disclosure provisions that may be proposed for the contract.
- ◆ **Take into account legal issues around public information.** Since charter schools are public schools, they may face obligations under the law to make their school programs a matter of public record. Charter applications, for example, are generally considered public documents. Board meetings are usually subject to open meeting laws. School records and reports submitted to authorizers may be open to review by the public. And many charter laws contain explicit language encouraging the ideas generated in charter schools to be shared with other public schools.

For all of these reasons, it may be impossible to prevent completely the disclosure of intellectual property associated with the school. Charter boards should be careful not to obligate themselves in a contract to keep secret ideas that they will be required under the law to disclose. The agreements reviewed for this guide address this issue in different ways, exemplified in the box below.

Contract Provisions Regarding Public Information

The blanket provision. One contract simply states that none of its provisions regarding intellectual property can require the board to violate any laws regarding the disclosure of public information: “Nothing herein contained shall be construed in a manner that would cause [the charter board] to act or fail to act in a manner that would cause [the charter board] to be in violation of any state open records law.”

Specific provisions for sharing. Another contract explicitly states that the management company will grant a royalty-free license for use of its intellectual property to the school district within which the charter school is located.

- ◆ **Consider all sources of property.** Many contracts protect only intellectual property owned by the management company. In some cases, the charter board may itself bring certain kinds of intellectual property to the contract. For example, if the charter board has operated a school for a few years and only then contracted with a management company, some of the pre-existing programs of the school may be intellectual property of the charter board. Or the charter board may have additional intellectual property if it operates other programs (e.g., after-school programs) that will become part of the new school.

In addition, individuals who work at the school, such as teachers, may bring programs, materials and ideas of their own to the new enterprise. Whether a charter board wants to protect its rights in these assets or the rights of employees in theirs is a decision for the board to make, within the legal constraints discussed above.

As noted above, some boards are eager to have their ideas shared widely without their permission. Such boards might be happy for the management company to use property beyond the contract term. However, if the board wants the property to remain accessible to the public, it is important to structure the contract so that the property does not fall under the ownership and control of by the management company, which might then want to restrict access in the future.

Property developed while implementing the contract. With regard to disclosure, the same issues arise in the case of property developed after the management relationship is established. These concerns may be heightened, in fact, since this kind of intellectual property is likely developed at least in part with public funds. Some state laws dictate that intellectual property developed with public dollars become part of the public domain or owned by the state. Such factors make this another area where charter schools should seek specialized guidance.

The contracts reviewed for this guide treat this kind of intellectual property in the following ways:

- ◆ **Management company ownership.** The vast majority of contracts simply grant ownership of all intellectual property developed at the school to the management company. The board and individuals associated with the school are prohibited from using or disclosing the property outside of the contract.

-
- ◆ **Joint ownership.** Some management agreements specify that the contractor and the charter board jointly own particular types of intellectual property developed at the school. For example, one contract provides:

“[A]ny educational product or service developed exclusively by any employee of the Board during the term of this Agreement shall be the joint property of the School, the employee and [the management company], and profits from the sale or licensing of that product or service shall be shared in by the School, the employee and [the management company] on the basis of one-third of such profits to [each party].”

- ◆ **Company ownership with license to the board.** Some contracts grant ownership of this type of intellectual property to the management firm, while allowing the board to use it for its own purposes. For instance, one management agreement states:

“[I]f new teaching techniques or methods, or significant revisions to known teaching techniques or methods, are developed or used in [the school], [the management firm] shall report those to [the charter school board], and [the board] may make them available to the public free-of-charge . . . ”

Another contract grants ownership to the management company while providing the board a license to use the property royalty-free in perpetuity. That is, even if the contract is terminated, the school may continue to use jointly developed ideas in the future.

In addition, one contract specifically addresses the question of *lesson plans* developed by teachers for their own use, stating that nothing in the agreement’s provisions on intellectual property “shall be construed to prevent a teacher from using lesson plans or other instructional materials s/he has developed for his or her own use. . . . regardless of the expiration or termination of the Agreement.”

Every board may approach this question in a different way, depending upon the involvement it expects to have in the development of the school’s program, the amount of new intellectual property it expects will be developed at the school, state laws that may apply, and other factors. For boards that expect to employ a management company’s program whole-cloth with little modification, securing the right to use jointly developed property may be less important than for boards that aim to develop significant modifications or new ideas and material during the contract.

B. Physical Property

As with intellectual property, facilities, equipment and materials acquired during the term of the contract present important issues of ownership. If the management organization purchases new computers and furniture for the school, for example, who owns them? What happens to them in the event the contract is terminated?

Intellectual property, facilities, equipment and materials acquired during the term of the contract present important issues of ownership.

It may seem common sense that any physical property obtained with the school’s funds would be owned by the charter school, remaining in its possession irrespective of the status of a

management contract. In fact, only a few of the contracts reviewed for this guide follow this approach.

Contracts need to clarify the issue of who owns the property.

By contrast, many of the contracts state that the school’s physical assets belong to the management company. Some give the charter board the chance to buy the property back at its current value (purchase price minus depreciation), but still make it clear that the management company owns the assets, even though they were purchased with school funds. Charter boards are well advised to craft these provisions carefully. Here is an example of a board buy-back provision from one contract:

“Disposition of Fixed Assets Upon Termination. Upon expiration or termination of the Agreement for any reason, the [charter board] shall have the right, subject to any limitations and/or conditions in loan or lease agreements to which [the management organization] is a party, to acquire all, but less than all, of the property and equipment provided by [the management organization] . . . (provided, that notwithstanding the foregoing, the [charter board] may purchase a portion of such property and equipment (which portion it may select in its sole discretion) in the event [the charter board] terminates the Agreement for cause. If [the charter board] exercises such right, it shall pay to [the management organization] the “net depreciated value” of such property and equipment as it elects to purchase within thirty (30) days after the effective date of termination of the Agreement.

It’s also possible for important physical assets, such as equipment, vehicles, and facilities, to belong to neither party, but instead to be leased by one of the parties from the property’s owner. If the management company holds the lease, the board may want to take steps to ensure that in the event the contract is terminated, the school can assume the lease. One contract reviewed for this guide, for example, charged the management company with attempting to enter into leases that could be assumed by the board in the event of termination.

A special situation arises when the management company purchases start-up physical property on behalf of the school in advance of the school’s receipt of funding. For example, to make sure school starts smoothly, a management company might agree to purchase furniture, buses, materials and computer equipment even before per-pupil funds begin to flow to the school. In essence, the management company is issuing a loan to the charter board for the purchase of needed assets. Some management contracts accordingly contain provisions for the repayment of these debts (see the discussion of “Debts” in the “Compensation and Finances” chapter on page 66).

Who owns this property? Contracts need to clarify this issue, though the ones reviewed in preparing this guide do not. Under one approach, the board owns the facility, and the management company’s financing is extended as an actual loan to the charter board, with the assets to be purchased serving as collateral. In the event of premature termination of the contract, the charter board would still be obligated to repay the debt. If it did not, the management company could foreclose and repossess the assets purchased on behalf of the school.

Scenario: Division of Assets Upon Termination

North River Academy and Skyrocket Learning Systems have a two-year management agreement. During the Academy's start-up period, Skyrocket purchased furniture and equipment for the school, using funds transferred to Skyrocket for managing the school.

At the end of the contract term, North River decides not to renew the contract. Skyrocket accepts the non-renewal but claims ownership of the furniture and equipment it purchased.

Once the charter board repaid the debt in full, however, the management company's security interest in the assets would be terminated. Alternatively, the management company could own the property until the debt was repaid. Under this arrangement, the board should ensure there is a clear way to account for the partial payments made by the charter board over time in the event of premature termination of the contract. This clear accounting should be set forth in a separate, explicit financing agreement.

Finally, special issues may arise when the management company (or an affiliate) owns the facility in which the charter school operates and is leasing the space to the charter board, or in which the board has borrowed significant funding from the company to buy or renovate a facility. These loan or lease agreements may be contingent on the management company's continued operation of the charter school.

Many charter schools find such arrangements to be advantageous, given the extraordinary difficulty of finding and affording a suitable facility. Boards should consider, however, the position in which such deals may place the school. Might they make it virtually impossible for the board to terminate the agreement with the management company, since doing so would effectively close the school by turning it out of its facility? If so, boards need to weigh the tradeoffs involved carefully.

**Scenario: Competitive Financing Terms / Ensuring "Best Value"
Contracting.**

The building in which Esperanza Charter School will reside needs substantial renovations in order to meet code and fulfill the school's needs. Lighthouse Education Centers agrees to finance the renovations, with the funds repaid over the next ten years by the school. The board, however, believes it could obtain financing on more favorable terms from a local bank. Lighthouse insists that its facilities services — including the financing arrangement — are part of the package it offers schools and must be part of the management contract.

Fortunately, there are many alternative arrangements available to boards. For example, several contracts we reviewed make clear that the board is responsible for acquiring the facility and making capital improvements, while the company is responsible for maintenance and operations. This arrangement has its own drawbacks, requiring the board to take on risks and duties that would otherwise fall to the management company.

To achieve clarity with regard to facilities, boards and management companies should ensure they agree on the following questions:

- ◆ **Ownership:** Who will own the facility? The management company? The school? A corporation affiliated with the school? Another party entirely? In the case of third-party ownership, who is leasing the facility — the company, or the school?
- ◆ **Maintenance:** Who will pay for the routine maintenance and operation of the facility? Who will oversee or manage these responsibilities?
- ◆ **Improvements:** Who will pay for major capital improvements to the facility? Who will decide what improvements to make, and when to make them? Who will oversee and manage these improvements?
- ◆ **Financing:** Who will finance the purchase of a facility and/or capital improvements? Will the company provide this financing? If so, under what terms? Will the school seek outside financing? If so, who will incur the debt — the board or the company? Will the company provide any guarantees for debt incurred by the board? If so, under what terms?
- ◆ **Termination:** What happens to the facility (and to any facilities financing) in the event of termination of the management contract? For a discussion of this issue, see the “Debts” section in the “Compensation and Finances” chapter.

VIII. CONTINGENCY PLANNING FOR NEW MANAGEMENT

Even a carefully constructed partnership may go off track for any number of reasons, some unforeseeable and unavoidable. Terminating a contract – particularly one involving educational programming and management – before its planned expiration is a drastic measure and most likely the last resort for any school that decides to take this step. In some cases, it may be the contractor who decides to terminate a relationship that no longer seems effective or productive.

Where educational programming and staffing are involved, terminating a partnership and transitioning to new management can be enormously disruptive and destabilizing to a school community if not managed well. The potential costs – human, educational and financial – of terminating a contract are so high that most schools and providers consider this option a worst-case scenario, to be contemplated only where a school (or the school’s charter) is seriously jeopardized by an unproductive relationship *and* all other reasonable efforts to right the boat are ineffective.

The perspectives and information presented throughout this resource guide are intended, in part, to help schools and their service providers avoid the need to terminate major contracts. Given, however, the reality that terminations do sometimes occur, this chapter provides some ideas and lessons to help smooth a school’s transition in such an event (whether the termination is initiated by the school or contractor). The chapters on “Compensation and Finances” and “Property” discuss other issues important to consider in such contingency planning.

Contemplating potential difficulties and addressing them up-front in the service contract can help schools avoid crisis and disaster if a termination does occur.

If a school management partnership can be compared to a marriage, a well-thought-out plan for potential termination and transition to new management is akin to a prenuptial agreement. During the “courtship” or “honeymoon” phase of an educational partnership, no one likes to imagine the possibility of a breakup. But contemplating potential difficulties and addressing them up-front in the service contract can help schools avoid crisis and disaster if a termination does occur. Where termination is imminent, both the school and contractor are better served by the existence of a pre-negotiated, thoughtful termination plan, including arrangements to help the school transition to new management. A pre-developed plan can minimize educational disruption, information disarray, organizational confusion and financial grief if a partnership is terminated and the school needs to move on.

Schools undergoing a contract termination have several options, including:

- (1) seeking a new provider that already offers an educational program comparable to the previous one or is willing to implement one;

-
- (2) undertaking continuation and management of the educational program themselves – seeking maximum continuity with the previous program without new contracted assistance; or
 - (3) instituting a new educational program at the school, either with or without contracted assistance, that differs significantly from the previous one.

The last option listed here would most likely require the approval of the school’s charter authorizer. The first and second options may raise serious intellectual property issues if the school, either with or without a new service provider, wishes to continue parts of an educational program that the terminated provider claims it owns. Such issues are discussed in the “Property” and “Contract Duration, Renewal and Termination” chapters of this resource guide.

As soon as a termination appears on the horizon, the school’s board must foresee and attend to many tasks to ensure that the transition to new management takes place as smoothly as possible. The board must ensure uninterrupted delivery of expected services to the school’s students and families, while keeping staff well-informed of the changes and choices before them (a responsibility that may be shared with the management organization, if practical, depending on who employs the school staff).

Scenario: Access to Information Held by a Terminated Provider

Esperanza Charter Academy’s contract with Lighthouse Education Centers is assigned to Skyrocket Learning Systems, which has acquired Lighthouse. Esperanza’s board has decided to terminate the contract two years before its expiration because the instructional model offered by Skyrocket, particularly for English language learners – about half of Esperanza’s population – is unacceptable to the board. Esperanza has found another education provider, New Millennium Schools, to continue the dual-language immersion approach previously offered by Lighthouse.

Esperanza terminates its contract with Lighthouse at the end of its third school year, and the final installment of the school’s annual management fee is paid on time to Skyrocket. (Skyrocket has already acquired Lighthouse but has permitted Lighthouse’s programs to continue without modification until the end of the school year to minimize disruption to client schools.) In late May, Esperanza begins working with New Millennium Schools to prepare for the coming fall.

Lighthouse had managed all of Esperanza’s student information, from addresses to test results to health information, and the school database has been transferred to Skyrocket. Esperanza’s board and its new school managers now need all this information in order to notify the entire school community of the management change and prepare for the fall. However, they have great difficulty obtaining the student records from Skyrocket, which no longer has any staff assigned to matters involving Esperanza and viewed the contract termination as unreasonable in the first place.

Numerous charter schools around the country have undergone terminations of management agreements. Lessons from these experiences that would be useful for other charter school boards facing or contemplating termination include:

-
- ◆ **Ensuring an orderly transition.** It is helpful for management agreements to include provisions to ease program transition and minimize disruption to a school’s operations in the event of termination. For example, various contracts reviewed for this guide stipulate that, in the absence of unusual and compelling circumstances, a termination shall not become effective until the end of the school year. Some contracts also provide that, in the event of termination: (1) the management organization will, at its own expense, provide reasonable assistance to the charter school for up to 90 days after termination to assist in the transition to another program or education service provider; and (2) if the contract is terminated before the end of the charter term, the charter school shall have the right to continue using the management firm’s proprietary curriculum materials, including software and electronically stored data until the end of the charter term, and for no less than one full school year following the year in which termination occurs.

Charter school boards need to ensure that in the event of a termination, the departing contractor fulfills its obligations for the remaining period of time agreed upon.

Charter school boards need to ensure that in the event of a termination, the departing contractor fulfills its obligations for the remaining period of time agreed upon (typically till the end of the school year). Some schools do this by maintaining a degree of financial leverage. For example, management agreements may stipulate that in the event of termination, the final payment to the contractor will not be disbursed until all tasks for wrapping up business are completed – student records, transcripts, school database, personnel records, financial records are transferred in good order; final report cards are issued; all necessary information is filed in the school’s office; outstanding non-reimbursable bills are paid; all reports and audits due are provided, etc. A provision of this nature in a contract studied for this guide states that in the event of termination, and as a condition for final payment:

“[Management Firm] shall provide the following information (including both printed and, where available, machine-readable forms), in good and orderly condition, to [X School] or its designees:

- All student records including, without limitation, all materials which pre-date a student’s enrollment at [X School] and all records generated for operation of the School while the student has been enrolled at [X School], including student and parent/guardian name, addresses and contact information; attendance records; medical records; special education records, if any; disciplinary records; academic transcripts; standardized test scores; and report cards.
- Name, address and phone number and grade level for each student enrolled in the School.
- All free and reduced-price lunch records.
- All material documents relating to the pension fund and other employee benefits provided to personnel employed at [X School].
- All material administrative files or records necessary for the operations of the school.
- Such other materials as are necessary to ensure that the re-enrollment process for the academic year following termination proceeds in an orderly manner.

-
- Such other materials as [Management Firm] is required to deliver pursuant to applicable law.”

Under this type of arrangement, a service provider’s final payment could be divided into two installments if so negotiated, but the principle remains the same: regardless of which party is seeking the termination, the charter school board remains responsible for the students’ welfare and the school’s standing. Thus, it is reasonable – indeed, responsible – for the board to seek to ensure that no departing contractor leaves the school in a lurch. Such an agreement should be valuable to both parties by clarifying the cooperative actions that both the school and contractor must make to terminate their relationship as smoothly as possible.

- ◆ **Re-staffing.** In cases where school personnel are employed by a departing contractor, a charter school board or its subsequent management organization may want to hire some

Communication with families, staff and other stakeholders as well as the school’s authorizer must be strong and timely during a management transition.

or even all of the staff to maximize stability and continuity for the school community. To avoid confusion over re-staffing if a termination occurs, it may be useful to reserve this right explicitly in the school’s initial management agreement. Anti-competition clauses that would, in the event of termination, restrict the school’s right to

hire staff who have served the school as employees of the departing company are viewed unfavorably by the IRS in evaluating the school’s eligibility for federal tax exemption (discussed earlier in the box on “Federal Tax Exemption and Contracting for Management Services”).

- ◆ **Communication with stakeholders and authorizer.** Communication with families, staff and other stakeholders as well as the school’s authorizer must be strong and timely – even more so than usual – during a management transition. This will require that the board have immediate access to the school’s database, even if it was previously under the departing management organization’s day-to-day control. If the board selects a new service provider to run the school, the board should conduct meetings with families (and if not yet done, school staff) as soon as possible to introduce them to the new provider and discuss the management change and how it may affect them. Likewise, the board should reserve time and attention to address concerns that its authorizer might raise about the management change or progress during the transition.

VIII. CONCLUSION

Carefully drafting contract language on all of these issues can help charter boards and education management organizations enter into mutually beneficial relationships. As most parties to contracts will confirm, however, contracts alone cannot make relationships work. Partnering effectively with a management company requires ongoing communication, troubleshooting, and redefining the terms of the relationship as circumstances evolve and the parties learn from their mistakes.

Partnering effectively with a management company requires ongoing communication, troubleshooting, and redefining the terms of the relationship as circumstances evolve.

In addition, clear contracts cannot eliminate all the possibilities for disagreement. Many contracts outline alternative dispute resolution procedures, such as binding or non-binding arbitration, to avoid litigation if contractual disagreements occur. An attorney experienced in drafting contracts can help interested charter school boards structure such a provision.

When considering all of these contractual issues, it is easy to become preoccupied by all the things that can go wrong in relationships. However, the opportunities for positive collaboration decidedly outnumber and outweigh the potential pitfalls. School management and design organizations bring great strengths and can provide vital assistance for many charter schools. This guide aims above all to help charter boards draw more effectively upon the expertise and resources that educational service providers can offer in creating performance-focused, accountable public schools.

CHECKLIST OF IMPORTANT PROVISIONS TO INCLUDE IN SCHOOL MANAGEMENT AGREEMENTS

Use this checklist to ensure that your management contract specifies or defines:

Foundational Matters

- ◆ The authority of the school's charter over the service contract
- ◆ The board's responsibility to oversee the service provider's performance under the contract
- ◆ Separate documents that detail terms pertinent to the service contract (e.g., an accountability plan, financing agreement, real estate agreement, board policy against conflicts of interest)

Roles & Responsibilities

- ◆ The respective roles and responsibilities of the board and the contractor
- ◆ Both parties' general obligation to adhere to all laws and regulations that apply to the school
- ◆ Who will be responsible for specific legal obligations such as:
 - fulfilling reporting requirements
 - following fiscal regulations
 - adhering to special education laws and regulations
 - conducting background checks on employees
 - carrying out payroll and tax accounting
 - making pension contributions
 - meeting health and safety standards
 - fulfilling open meeting requirements for the board
 - ensuring non-discrimination in admissions and employment
 - other requirements that apply to your charter school
- ◆ Who will be responsible for activities such as student recruitment, fundraising, and community and media relations
- ◆ What reports the board will review prior to their submission to regulators, and on what schedule
- ◆ What reports the board will receive after their submission to regulators
- ◆ How and under what conditions the board may conduct inspections of school operations
- ◆ Who will be responsible for communicating regularly with the charter authorizer and other authorities, parents and the community at large – and how such communications will be shared between the board and the contractor
- ◆ Who employs and evaluates the principal, teachers, and other staff
- ◆ The role the board and service provider will play in decisions about hiring the principal, teachers, and other staff

-
- ◆ The role the board and service provider will play in evaluating the principal, teachers, and other staff
 - ◆ The role the board and service provider will play in decisions about dismissing the principal, teachers, and other staff
 - ◆ The scope of the service provider’s authority to subcontract for services, including any restrictions on the size or nature of such subcontracts and any provisions for review of subcontracts by the board or its representatives

(For additional Roles and Responsibilities questions, see the box entitled “Sorting Out Responsibilities Between Boards and Service Providers” in the Roles and Responsibilities chapter.)

Contract Duration, Renewal & Termination

- ◆ The length of the initial contract term
- ◆ The conditions that both the contractor and the school must satisfy for the contract to be renewed
- ◆ Procedures for and considerations in determining whether the contract will be renewed
- ◆ The grounds on which either the school or service provider may terminate the contract for cause (including provisions for notice to the other party)
- ◆ The conditions, if any, under which either party may terminate the contract *without* cause
- ◆ Indemnification provisions in the event of default or breach by either party
- ◆ What will happen to the school’s physical assets, start-up debt, and intellectual property in the event of termination (See checklist items for “Property” below)

Performance Oversight & Evaluation

(Note: Some of the following items need not be included in the management agreement itself if they appear in a referenced document, such as the school’s charter contract or accountability plan)

- ◆ Clear, measurable school-wide and student achievement results aligned with the school’s mission, which the contractor is responsible for achieving.
- ◆ How the service provider’s achievement (or non-achievement) of such results will affect the board’s evaluation of the provider, including renewal and termination decisions
- ◆ How often, and in what ways, the board will review and evaluate the contractor’s progress toward achieving agreed-upon goals
- ◆ The expected frequency and nature of board visits to the school, for official evaluation purposes and otherwise
- ◆ The role, if any, that an external evaluator might have in assessing the contractor’s performance
- ◆ How often, and in what ways (written reports, presentations, etc.), the service provider will be expected to report on the school’s educational and operational performance to the board
- ◆ The scope of information the contractor’s reports should contain

-
- ◆ Conditions, standards, and procedures for board intervention, if the contractor's performance is deemed unsatisfactory

Compensation & Finances

(Note: Some of these issues should be addressed in the school budget or separate financing or real estate agreements rather than the service contract itself. Even so, the contract could still summarize the major terms and should refer to the documents that detail the terms.)

- ◆ Which operating and capital expenditures each party will be responsible for
- ◆ How the board will fund various costs, including:
 - the board's administrative costs (e.g., meeting expenses and staffing, if applicable)
 - the board's evaluation of the service provider's performance
 - the school's independent audit
 - the board's legal representation
- ◆ Precisely what constitutes "revenue" for the purposes of calculating the service provider's compensation or the funds allocated to the service provider for operating the school (e.g., do federal funds count? private donations? receipts from revenue-generating athletic events?)
- ◆ The timeline on which the school budget will be developed by the service provider and approved by the board
- ◆ The process by which the budget may be amended over the course of the year
- ◆ The types of spending decisions that the contractor may make without obtaining board approval and what expenditures of the service provider, if any, must be reviewed by the board or its delegate(s)
- ◆ The service provider's compensation, or how it will be calculated
- ◆ The schedule on which the service provider will receive compensation
- ◆ What will happen in the event that expenses exceed revenue during a given year
- ◆ What will happen in the event that revenues exceed expenses in a given year
- ◆ What methods will be used to calculate revenues and expenses for the purpose of determining deficits and surpluses
- ◆ What reports the service provider must submit to the board on financial performance, and on what schedule
- ◆ The fact that the board will select the school's independent auditor
- ◆ If the service provider is making any up-front investments for which it might expect repayment:
 - the nature, amount, and timing of such investments
 - the conditions and terms (interest rate, timeframe) under which the board will repay the investments (including how such terms change, if at all, in the event that the service contract is terminated)
- ◆ If the service provider is guaranteeing any third-party debt incurred by the board, the terms (if any) under which it will continue to provide the guarantee in the event that the service contract is terminated

Property

(Note: Some of these issues may be addressed in the school budget or separate financing or real estate agreements rather than the service contract itself. Even so, the contract could still summarize the terms and should refer to the documents that detail the terms.)

- ◆ The terms under which each party may use the other party's intellectual property while the contract is in force
- ◆ The terms (if any) under which each party may continue to use the other party's intellectual property beyond the duration of the contract
- ◆ Who owns intellectual property developed in the course of carrying out the contract
- ◆ If one party is to own intellectual property developed in the course of the contract, the terms (if any) under which the other party may use such property while under contract and beyond
- ◆ The rights of each party to disseminate information about the school's program for marketing, advocacy or general informational purposes
- ◆ Any obligation of the parties to disclose information about the school's program to comply with laws and regulations regarding public information
- ◆ Who owns physical assets acquired during the course of the contract
- ◆ What happens to physical assets acquired in the event that the service contract is terminated
- ◆ In the event that physical assets will be leased by the service provider for use at the school, the obligation (if any) of the service provider to ensure that such leases can be assumed by the board in the event the contract is terminated
- ◆ Who will order, finance and oversee the acquisition or construction of the school's facility
- ◆ Who will order, finance and oversee improvements to the school's facility
- ◆ Who will order, finance and oversee maintenance of the school's facility
- ◆ Who will be the legal owner or lessor of the school's facility
- ◆ If the service provider extends financing for the facility, the terms (e.g., interest rate, payment schedule) under which the board must repay the service provider
- ◆ What happens to the facility – and to any facilities financing – in the event of termination of the service contract

Contingency Planning for New Management (in the event of termination)

- ◆ The period of time before any termination, absent extraordinary or compelling circumstances, will go into effect (for example, the time remaining until the end of the school year in which termination occurs)
- ◆ Whether the school will be able to continue using the departing contractor's proprietary educational materials after termination, and if so, for what length of time and under what terms
- ◆ Whether the school or its new management will have the right to hire staff employed by the departing contractor

-
- ◆ How the parties will ensure that the school will have timely access to all information, property, systems and human resources necessary to ensure an orderly transition to new management, such as:
 - all student records regarding family/contact information; attendance; discipline; grades and other assessment results; special education; health
 - school database and information system
 - all free and reduced-price lunch records
 - necessary records relating to personnel and employee benefits
 - financial and facilities information, vendor subcontracts and all other administrative records necessary for school management and operations
 - any other materials necessary to ensure an orderly transition to new management
 - ◆ Any other types of transitional assistance that the departing contractor will be obligated to provide upon termination, and for what period of time

ABOUT THE AUTHORS

This resource guide was researched and written by two consultants – Bryan Hassel and Margaret Lin – who have a growing reputation for their high-quality contributions to the charter school movement at large.

MARGARET LIN is a consultant and senior associate with the National Association of Charter School Authorizers (NACSA). She co-founded and served as the first executive director of NACSA and has consulted widely on charter school authorizing, accountability, governance and policy. Previously, she co-founded and managed the Charter School Resource Center at Leadership for Quality Education in Chicago, IL and the National Charter School Accountability Network. Ms. Lin is the author of *Measuring Up: How Chicago's Charter Schools Make Their Missions Count* and co-author and editor of *Critical Design Issues for Charter School Authorizers*. She was a Rotary Foundation Scholar in Brussels, Belgium and previously taught English and cross-cultural courses in public schools, private corporations and international agencies in Tokyo, Japan. She holds a J.D. from Stanford Law School.

BRYAN HASSEL is co-director of Public Impact. He consults nationally on charter schools and the reform of existing public schools. In the charter schools arena, he is a recognized expert on state charter school policies, accountability and oversight systems, and facilities financing. He is the author of the National Alliance for Public Charter Schools report, *Charter School Achievement: What We Know Now*. In addition to numerous other articles, monographs and how-to guides for practitioners, he is the co-author of *Picky Parent Guide: Choose Your Child's School With Confidence* and author of *The Charter School Challenge: Avoiding the Pitfalls, Fulfilling the Promise*, published by the Brookings Institution Press in 1999. Dr. Hassel received his doctorate in public policy from Harvard University and his masters in politics from Oxford University, which he attended as a Rhodes Scholar.

IX. CONSIDERATION OF COMMISSION DIRECTOR'S EVALUATION

APPLICABLE STATUTE, RULE, OR POLICY

I.C. § 33-5213

IDAPA 15.04.01.210

BACKGROUND

Prior to July 1 2021, the IPCSC Director served at the pleasure of the Executive Director of the State Board of Education. After July 1, 2021, the IPCSC Director serves at the pleasure of the Idaho Public Charter School Commission. Idaho Code requires agency director's to be evaluated annually by the governing body of the agency.

The Governor determines pay increases for agency directors upon consideration of recommendations made by the agency's governing body.

Annual evaluations must be completed by May 13th, 2022.

DISCUSSION

The IPCSC Director's job description as approved by the Commission in June of 2021 and the professional goals established at that time are provided to Commissioners for this discussion.

The results of a stakeholder survey and a staff climate survey have also been provided.

The IPCSC will enter into executive session as provided by Idaho Code § 76-201(1)(b) for the purpose of evaluating the agency director.

SPEAKER

Sherrilynn Bair, Vice Chair

IMPACT

Information only

STAFF COMMENTS AND RECOMMENDATIONS

Staff has no comments or recommendations.

COMMISSION ACTION

Action following the executive session is at the discretion of the Commission.

Idaho Public Charter School Commission

Director

PURPOSE

The Idaho Public Charter School Commission Director serves at the pleasure of the Idaho Public Charter School Commission. The IPCSC Director ~~to~~ serves as secretary to the Idaho Public Charter School Commission (IPCSC). The IPCSC Director, is responsible for ensuring fulfillment of the IPCSC's stated mission. This position develops and implements strategies for efficient and effective oversight of the IPCSC's portfolio schools, provides leadership for the development of policy related to public charters schools in Idaho, and supports and represents the IPCSC across the scope of its function as Idaho's independent charter school authorizer.

KEY RESPONSIBILITIES

- Researches, develops, and implements oversight tools and processes to ensure compliance and performance monitoring of IPCSC portfolio schools.
- Analyzes and investigates reports regarding portfolio schools, and advises the IPCSC on matters related to the oversight of such schools.
- Ensures implementation of IPCSC action and direction.
- Represents the IPCSC to various groups, agencies, organizations, and media.
- Coordinates legislative efforts for the IPCSC.
- Ensures compliance with federal and state laws.
- Performs office management and supervisory duties including budget management strategic planning, and employee evaluation.

PRINCIPAL ACCOUNTABILITIES

IPCSC Portfolio School Oversight

- Serves as liaison between IPCSC and portfolio schools.
- Ensures meaningful evaluation of new charter petitions for quality, preparedness, and community impact.
- Ensures ongoing compliance and performance oversight of IPCSC portfolio schools through site visits, written reports, and dialogue with school boards and administration.
- Develops and implements processes and policies related to charter school oversight in accordance with best practices.
- Conducts investigations of alleged non-compliance and implements corrective action as necessary in accordance with statute, administrative procedures, and policies.
- Remains abreast of national trends, research, and best practices relevant to charter school authorizing.

IPCSC Relations

- Conducts IPCSC business related to public charter schools in accordance with applicable state and federal laws, administrative procedures, and policies.
- Carries out IPCSC direction to staff and enforces portfolio schools' compliance with IPCSC direction.
- Informs and advises the IPCSC regarding petitions, portfolio schools' compliance and performance, and various matters related to charter school authorization.

- Participates in discussion and development of state policies related to public charter schools and recommends changes in legislation, administrative procedures, and IPCSC policies.
- Fosters continuous improvement of charter school oversight strategies through identification and implementation of best practices.

Administrative Functions

- Supervise IPCSC staff.
- Prepares and operates within IPCSC annual operating budgets.
- Ensures maintenance of IPCSC records as required by law.

Public Relations

- Represents IPCSC to state legislature; local, state, and national charter school organizations; public charter school stakeholders; and the public at large.
- Responds to media inquiries on behalf of the IPCSC.
- Responds to public records requests.

MINIMUM QUALIFICATIONS

- Undergraduate degree from an accredited college or university, with emphasis in a related field. An advance degree, work toward an advanced degree, or other comparable experience will be considered.
- Strong working knowledge of state and federal educational law, particularly as it pertains to public charter schools and demonstrated ability to apply such knowledge in diverse circumstances.
- Extensive historical knowledge of Idaho's public charter schools and related public policy matters.
- Understanding of Idaho's legislative process.
- Excellent written and verbal communications skills, including public speaking and ability to compile and summarize complex material.
- Demonstrated ability to initiate, research, develop, and implement multiple complex projects and programs simultaneously, with minimal direction.
- Demonstrated ability to maintain effective working relationships with a diverse population, including charter and traditional school boards and administrators, elected and public officials, agency staff, and the public at large.
- Demonstrated ability to manage and lead both professional and administrative staff.
- Demonstrated ability to make complex unbiased decisions in unique and often confrontational situations.
- Demonstrated ability to assimilate and apply new information and skills as necessary to fulfill the IPCSC's mandate.
- Ability to travel for school oversight and professional development purposes.