

July 2, 2021

Monticello Montessori Charter School
Attn: Board of Directors

Re: IPCSC Investigation Findings

Summary

In April of 2021 the Idaho Public Charter School Commission (IPCSC) began an investigation into operational and financial concerns at Monticello Montessori Charter School (MMCS). At this time, the IPCSC has concluded that:

1. Many of the school's current operational and financial practices do not meet the standards defined in the IPCSC's performance framework and must be corrected if the school is to be considered for a renewal or conditional renewal recommendation.
2. The school's expenditure transparency web page is not compliant with Idaho Code, and the school's health insurance offerings may also be non-compliant.
3. It appears that the administrator may have violated several principles of the Code of Ethics for Idaho Professional Educators.

The IPCSC's findings and expectations for correction are detailed below by topic. Additional documentation and resources are included as attachments.

A recommended corrective action plan is included as [Attachment I](#).

Background

A complaint from a member of the public was filed with the IPCSC on March 25, 2021. The complaint presented various concerns regarding the operational and financial practices at MMCS. The school was notified of the complaint on the same day. An information gathering phone call was conducted with the school administrator, Erica Kemery, and the board chair, Ken Glodo on March 29, 2021.

Courtesy letters requesting documentation were issued to MMCS on March 31, 2021; April 29, 2021; and May 25, 2021. These letters are included as Attachments [A](#), [B](#), and [C](#), respectively. Documentation provided by the school was reviewed by the IPCSC team.

In addition to reviewing documentation, the IPCSC staff met with the State Department of Education's (SDE) Chief Financial Officer, School Choice Coordinator, and various representatives of the agency's Federal Programs team to review the school's financial status on June 1, 2021. The IPCSC issued a notification of fiscal concern for MMCS on

June 10, 2021. This notification and the meeting materials cover sheet are included as [Attachment D](#).

IPCSC staff subsequently conducted an on-site review of documentation on June 21, 2021 and June 22, 2021. At the end of this visit, IPCSC staff met with the school's current board chair, Drew Hosford, the school's business manager, Michelle Covert, and the school's potential interim administrator to discuss preliminary findings.

Many of the operational and financial practices currently in place at MMCS do not currently meet the IPCSC's standards as defined in the [performance framework](#). MMCS's academic outcomes in 2018 and 2019 also did not meet the standards defined in the performance framework. No academic data was available for 2020, and 2021 data has not yet been released.

MMCS will be considered for renewal of its 5-year operational term in March of 2023. IPCSC staff will issue a renewal recommendation to the school no later than November 15, 2022. This renewal recommendation will be primarily determined by MMCS's academic, operational, and financial outcomes from the 2021-22 school year, based on the IPCSC's performance framework.

All academic, operational, and financial outcomes must meet standard by June 30, 2022 in order for the school to be considered for a non-conditional renewal in 2023. If one or more of the academic, operational, or financial outcomes does not meet standard, the IPCSC may consider MMCS for a conditional renewal or non-renewal.

The school will have opportunity to submit additional documentation for renewal consideration in December of 2022. A [renewal guidance](#) document is available on the IPCSC's website, and an orientation for both the board and the administrator will take place in the spring of 2022.

In addition to the above concerns that remain to be corrected, it appears that the school's administrator, who no longer serves the school in this capacity, may have violated several provisions of [Idaho's Code of Ethics for Professional Educators](#). Notice will be made to the Professional Standards Commission (PSC). While the IPCSC is tasked with general oversight of charter schools as defined in Idaho Code and management of the school's operating contract ([performance certificate](#)), the PSC is tasked more specifically with determining whether a professionally certificated individual's conduct requires further investigation.

Preschool

The original complaint received by the IPCSC on March 25, 2021 indicated dissatisfaction with the way in which a preschool teacher was terminated. MMCS's performance certificate does not authorize the operation of a preschool.

However, at various times in the school's existence, beginning in 2010, MMCS has, in fact, operated a preschool, a daycare, and/or an infant/toddler program. The IPCSC and the school's independent auditor expressed concern about the school's ability to maintain appropriate financial separation on various occasions prior to 2016. In response to these concerns, and perhaps on more than one occasion, the MMCS governing board (the "Board") has ended preschool offerings and closed the related bank accounts. It is unclear from MMCS meeting minutes whether these actions were carried out as discussions of the active preschool services continue to appear.

In 2016, legislation was enacted that precludes a charter holder from operating an enterprise other than the school(s) for which it holds charters, according to the terms of the applicable performance certificate(s). Operation of a preschool, daycare, or infant/toddler program has never been allowable under the terms of the school's performance certificate. Operating a separate enterprise has not been allowable by Idaho Code since 2016.

A timeline regarding the existence of a preschool/daycare at MMCS and the IPCSC's correspondence with MMCS on this issue is included as [Attachment G](#).

Investigation Findings

On March 25, 2021, the Board was notified by the IPCSC that operating a preschool is a violation of the school's performance certificate and that the existing preschool must be closed. MMCS meeting minutes from May 6, 2021 reflect that the Board voted to close the preschool. The IPCSC appreciates the Board's prompt action in this matter; however, IPCSC determined that further investigation was necessary to evaluate whether state and/or federal funds were used inappropriately.

During the IPCSC's site visit on June 21, 2021 and June 22, 2021, financial documentation was reviewed in detail. MMCS's financial records indicate that: MMCS recorded over \$24,000 in preschool tuition collected from families between July 1, 2020 and April 30, 2021; various purchases specific to the preschool, such as snacks and art supplies, were made regularly throughout the year; and MMCS employed a preschool teacher who received regular paychecks through the school year. The school administrator confirmed that the preschool teacher was a direct employee of MMCS.

Despite the evidence that preschool related expenditures were made throughout the year, MMCS's expenditure reports reflect \$0.00 on the preschool expenditure line-items.

The school's business manager stated that the preschool related revenue and expenditures are tracked separately in the accounting system and made assurances that no state funding has been used to support the preschool; however, no evidence of clear separation was discovered during the investigation. MMCS's financial documentation suggests that funds were intermingled.

Also of concern is the structure of the daycare and/or infant and toddler program. Various MMCS meeting minutes suggest that the infant and toddler program operated by having teachers provide infant and toddler care (for paying families and for their own children) in their classrooms during instructional time. This inevitably impacted their ability to appropriately serve the students for which the school receives state funding. MMCS's low academic outcomes may be partially attributable to a practice of dividing instructional time with preschool and daycare duties.

Beyond the administrator's failure to properly implement existing Board policy regarding internal controls and facility use, the preschool poses several problems that must be resolved: 1) the expenditures related to the preschool have not been maintained separately and/or expenditures are inappropriately coded in the school's accounting system; 2) if the total preschool revenue was greater than the total preschool expenditures, as financial records indicate, then funds collected from families were not used for the purposes represented to families which may be a violation of the Code of Ethics for Idaho Professional Educators on behalf of the school's acting administrator; 3) if the total preschool revenue is less than the total expenditures related to the preschool, then state and/or federal funds may have been misused; 4) compromising the teaching staff's ability to perform their primary instructional duties may be a further violation of the Code of Ethics for Idaho Professional Educators.

Required Documentation

The IPCSC is requiring a definitive accounting, by month, of all preschool related revenue and expenditures for the 2020-2021 school year. The accounting must be approved by the Board and should be verified by the board treasurer. This should be provided to the IPCSC by August 5, 2021.

Conclusions

- MMCS may not operate a preschool, daycare, or any type of infant/toddler program, nor may it operate any enterprise other than the public charter school for which it is authorized as it is defined in the school's performance certificate.
- MMCS may contract with a third-party vendor to provide preschool and/or daycare services on the MMCS campus in compliance with the Board's existing facility use policy and with appropriate expenditure transparency.
- State and federal funds must be used only for the purpose of operating the school as authorized in the performance certificate and as required by limitations placed on various revenue sources.
- Teachers have a primary duty to effectively educate students, and specifically to deliver an instructional model that achieves a "meets standard" outcome as defined by the IPCSC's performance framework. Teachers should not engage in other duties concurrently with their instructional duties.

Human Resources

Several concerning human resource issues were identified during the IPCSC investigation. While these practices do not appear to be in direct violation of law, they are inadvisable.

Investigation Findings

Since 2010 the school has recorded over two-hundred (200) unique employees. A payroll report indicates that twenty-six (26) employee terminations took place in the span of one year. As the school employs just over 30 people at any given time, this is an incredibly high turn-over rate. An inability to retain employees is a primary indicator of distress. For more information please see a recent study conducted by the National Charter School Resource Center titled ["Identifying Indicators of Distress in Charter Schools"](#).

The IPCSC investigation also identified the following related concerns: employment agreements for classified employees do not exist; Job descriptions only exist for some positions; Employees are paid at highly variable rates and have highly variable work schedules; Not all teacher contracts on file are signed by the teacher; and the school does not have an overall staffing plan. Without documentation of such a complicated system, it is unlikely that an administrator could successfully hold employees accountable.

This lack of documentation has also resulted in confusion regarding who is and who is not employed by the school. Several former employees of the school received paychecks as recently as May 2021. Without clear documentation of hire and termination dates or agreements stating what work is to be performed, it is not possible to determine whether these employees are delivering the services for which they are being paid.

This has resulted in the school significantly overpaying for inadequate results at least in the case of back office services. MMCS's current business manager does not have an employment agreement. She explained that she verbally agreed to work 26 hours per week for an annual salary of \$55,000. Additionally, MMCS pays the previous business manager, whose resignation was accepted by the Board in October of 2020, for consulting at a rate of \$50 per hour. This consulting arrangement is also not documented. Chairman Hosford indicated that the Board was not aware of these employment and/or services agreements. It does not appear that either arrangement was approved by the Board.

Through conversations with employees, it appears that the positions they agreed to take based on a verbal offer has not turned out to be the position they are in. For example, some employees believed they were hired for a part-time position, but are consistently working more than full-time. Other employees accepted a work-from-home position, but have a work-load that cannot be effectively conducted in an entirely remote setting.

It also appears that Fridays are treated as a "day off" for at least some staff members. A school board may adopt a calendar that permits students to attend school on a 4-day week; however, the purpose of this structure is to provide teachers opportunity to engage in aspects of the profession that cannot be accomplished while directly engaged in teaching, such as lesson planning, data analysis, and meaningful collaboration. The intent is to assist teachers in creating a schedule that allows them to be successful professionally, not a

schedule that provides paid free-time. Based on conversations with staff, it appears that most employees work in the building from approximately 7:30 A.M. to 4:00 P.M., Monday through Thursday each week school is in session and one Friday each month. While the IPCSC does not have evidence to suggest that teachers are not putting in legitimate work hours in remote settings on evenings, weekends or during the summer, the lack of documented work expectations make it impossible to determine whether all employees who are paid to work full-time are actually working full-time.

Additionally, MMCS does not hold a group health insurance policy. Instead, employees complete a form indicating through which other source they have access to health insurance. This form is included as [Attachment H](#). Specifically, employees indicate whether they have health insurance available through a spouse, choose to secure their own plans independently, or choose to use the broker whose contact information is provided by the school to assist them in securing an individual plan. The broker confirmed that MMCS has not held a group insurance plan option for approximately seven (7) years and that only a handful of employees currently use his company's services.

The form indicates that the school has an open enrollment day for health insurance; however, the school only facilitates employee payments to American Fidelity for supplemental plans. This practice does not comply with IDAPA 08.03.01.300.04 which requires schools to provide the IPCSC copies of insurance binders for various insurance policies, including health insurance.

Furthermore, the form is misleading to teachers as it appears to indicate a compliant offering. It is also misleading to the authorizer as it appears to document waiver of offered coverage when no coverage was actually offered.

Required Documentation

The IPCSC is requiring evidence of a health insurance policy held by MMCS and the school's policy on employee eligibility for participation. This should be provided by August 31, 2021.

The IPCSC is requiring documentation of the schools complete organizational structure, including each employee (by role, not name). This should be provided by August 31, 2021.

The IPCSC is requiring evidence that all board directors have participated in training on administrator evaluation. This should be provided by August 31, 2021.

Conclusions

- All employees should have a clear understanding of their job description and the terms of their employment, including the days and hours they are expected to work
- Employees should be paid based on an established salary schedule to ensure that employees are fairly compensated.
- All employee evaluations should include accurate and meaningful feedback.
- Health insurance must be offered to full-time employees.

Finance

While the Board has adopted internal control policies and the school does have a purchase order form, these policies do not appear to be properly implemented, and what procedures do exist are used inconsistently. The school's purchasing plan does not appear to be based on effective long-term planning or to make use of effective procedures. Additionally, MMCS currently has several poor practices in place that need immediate attention.

Investigation Findings

Examples of unplanned purchasing include the many small purchases from vendors such as Amazon and Walmart for similar items. For example, rather than regular, planned supply orders, a handful of classroom supplies are ordered every few days. An additional example is a series of purchases from gas stations and restaurants for items such as a single sandwich, ice cream, or other single serve snacks.

Examples of poor financial management practices include the school's use of credit cards. MMCS has six (6) credit cards with a total available credit line of approximately \$60,000 with a 29% interest rate. Five (5) of these active cards are in the name of ex-employees. Although the current combined balance of these cards appears to be under \$2,000, various cards were charged interest on carried balances during the year. MMCS meeting minutes from October of 2020 reflect discussion of the school's history of late fees for delinquent payments. Additionally, the previous administrator and previous business manager's credit cards appear to have been used to sustain a positive cash flow throughout FY21.

For example, Ms. Kemery's credit card carried approximately a \$9,000 balance between the SDE's payment distribution dates of December 15, 2020 and February 15, 2021. Ms. Mendenhall's credit card carried approximately an \$8,000 balance from June of 2020 through October of 2020, across the fiscal year.

Using credit cards to delay the timing of when expenditures impact the school's account is an inadvisable practice. It is particularly concerning when the practice results in expenditures not being reflected in the fiscal year in which they were made, as this may affect the results of the school's financial audit. Furthermore, the use of credit cards in this way has decreased the school's transparency with regard to its use of public funds and makes cash flow issues difficult to identify.

While these practices may not be in direct violation of law, relying on future funds to cover current operational costs does not meet the IPCSC's financial standards as defined in the performance framework.

The expenditure transparency issues extend beyond credit card usage. Expenditure reports currently posted on the school's website only reflect payments on credit cards, not the hundreds of actual expenditures made with the credit cards. These reports also do not include sufficient description of the purchases they reflect. Therefore, the documentation posted on the school's website is not compliant with legal requirements for expenditure transparency. Please see Idaho Code 33-357.

Idaho Code also requires that charter schools post contracts and agreements for services when such exist. As the school pays several persons to provide services with no documentation of the employment or services agreement, no such transparency can be provided to the public. Existing and future agreements must be documented and must be posted on the school's website.

The IPCSC's review of MMCS's financial documentation also identified that reimbursements to staff members for purchases of classroom goods were often made with no documentation of pre-approval, and at times without itemized receipts to evidence that the purchases were eligible for reimbursement.

It is unclear what items used in classrooms belong to teachers and the school's lack of effective asset tracking poses larger concerns. The school must track the furniture, fixtures, and equipment it owns (including technology). Assets purchased with state funds must be replaced or disposed of differently than assets purchased with federal funds or other grant funds. It is important for the school to maintain accurate records of not only what is owned by the school, but also of which funds were used to make each purchase.

In addition to the above examples of poor financial management and ineffective procedures, the following issues raise significant concern:

First, financial documentation reflects several expenditures noted as "payroll advance". The current business manager indicated that this was a matter of expenditures being inappropriately coded. She stated that these purchases were payments for professional development which were later deducted from the teacher's paycheck. This is concerning on two levels: 1) the school has access to a significant amount of revenue earmarked for professional development and teachers should not be responsible for reimbursing the school, and; 2) if payroll advances are not offered by the school, expenditures should not be identified as such.

Second, on several occasions throughout FY21, expenditure reports reflect a "settlement". The current business manager indicated that "settlement" means "payroll distribution". However, in one case noted as a "settlement", the business manager indicated that the line item was not an expenditure at all. Rather, in this case, the "settlement" was a manual correction to the ledger rectifying a discrepancy in which the bank statements reflected \$73,000 more available in MMCS's bank account than was recorded in the school's internal accounting records. The current business manager indicated that this correction was made by the previous business manager, who was working in an undocumented consultant role which provided her access and authority to make such a change.

Issues of note: 1) if the business manager's statements are accurate, this is a case of grossly inadequate book-keeping which cannot continue, 2) if "settlement" means "payroll," but this specific expenditure is not payroll, then coding it as "settlement" appears purposefully deceptive to the public, and 3) the level of access to the school's finances provided to an ex-employee with no documentation or Board approval is concerning.

While the bank statements themselves do not appear to reflect expenditures that are unaccounted for, the IPSC is requiring that MMCS seek an independent auditor's opinion

to confirm whether this issue is, as it appears to be, a book-keeping error caused by poor practices, or whether further investigation into potential misuse of funds is warranted. MMCS is to be solely responsible for any additional auditing costs.

Third, the current business manager indicated that several purchases, including one for Turkish Lira and several for Netflix had been reported by the school as fraudulent charges and were refunded by the bank. No corresponding documentation was provided to the IPCSC.

Lastly the IPCSC's investigation did not find any documentation for an approximately \$2,500 purchase noted only as "AIC INTLEExchange". This purchase appears to be from an exchange program run by the American Immigration Council.

Required Documentation

The IPCSC is requiring that MMCS seek an independent auditor's opinion on the cause of the discrepancies that occurred during FY21 between the bank account and the school's internal ledger, particularly those discrepancies that appear to have been manually corrected. The opinion should indicate whether further investigation is warranted. This opinion must be submitted to the IPCSC no later than the FY21 audit report due date of November 1, 2021.

The IPCSC is requiring a complete inventory of the school's assets be taken and recorded by room. This inventory is to include the external buildings and off-site storage units held by the school. This should be provided to the IPCSC by August 31, 2021.

The IPCSC is requiring evidence that the Board, administration, and business manager have participated in public procurement, purchasing, and cash handling training and that teachers have been trained on MMCS's purchasing procedures. This should be provided to the IPCSC by August 31, 2021.

The IPCSC is requiring any documentation evidencing the details of the AIC INTLEExchange purchase and evidence that the charges reported as fraudulent were reimbursed by the bank. Available documentation should be provided to the IPCSC by August 5, 2021.

Conclusions

- Quality book-keeping should not require manual corrections.
- The school must develop a purchase order system that provides for sufficient separation of duties and all staff must be trained on the purchase order system.
- Credit cards must be cancelled for employees when employment is terminated.
- Credit cards should be used rarely and should be paid in full each month.
- Only properly authorized employees and contractors should have access to financial management systems or have the authority to make any financial decisions on behalf of the school.
- The business manager is responsible for all work performed under her supervision.
- The school must maintain a compliant expenditure transparency web page.
- The school must track assets.

Policy

During the scope of the investigation it became clear that appropriate policy related to many of the issues discovered was adopted by the Board some time ago. This includes internal control policies and personal leave policies. However, such policies were not properly followed.

Investigation Findings

The original March 25, 2021 complaint alleged that the school's grievance policy did not allow for escalation of internal concerns. The IPCSC determined that the existing policy was a sample policy intended for an organization with multiple levels of administration. Applied to a small organization in which the lead administrator holds the role of principal, HR director, and superintendent, this policy effectively prevented concerns from escalating appropriately.

The school's business manager was not aware of purchasing or cash handling policies at the school, though it appears the Board has adopted such policy.

Additionally, the Board adopted leave policy is not implemented consistently. For example, the policy posted on the school's website states that leave caps at 30 days. In contrast, the pay stubs for two employees show 60 days of leave accrued. Paystubs indicate that leave is coded as sick time, but the leave policy indicates that teachers accrue sick time and that administration accrues vacation time. The policy also states that vacation time is not paid out upon termination. Traditionally, sick time is donated to PERSI upon termination and vacation time is paid out.

Required Documentation

The IPCSC is requiring a complete copy of Board policies and a copy of the employee handbook (if such a summary of policy exists). Specifically, policy provided to the IPCSC must minimally include: grievance procedures, leave policy, calendar and contract hours, purchasing, travel, and cash handling. This should be submitted to the IPCSC by August 31, 2021.

Conclusions

- The board should consider revision of its grievance policy.
- Both the Board and school staff should engage in an annual review of changes to applicable statute, administrative rule, state agency policy, and school-level policy.
- Every staff member and every board director should sign acknowledgement of receipt of all board policy prior to the start of each school year.
- Personal leave time must be accrued as per Board policy and must be tracked appropriately.

Next Steps

The IPCSC will consider whether to renew MMCS's performance certificate largely based on the school's performance outcomes of the 2021-22 school year. It is crucial that the Board takes action to ensure the school meets the standards identified in the performance framework.

The recommended corrective action plan included in this report is provided as a tool to assist the school in meeting the established standards. The Board may choose to alter the action plan or to oversee the development of a different action plan. Ultimately, the Board is responsible for the success of the school through policy and effective oversight.

The IPCSC's role is to hold the school's board accountable to ensure that the school meets the established standards. The board's role is to hold its administrator accountable to implement board policy in the pursuit of those standards. The IPCSC ensures *that* standards are met; the Board defines *what* meeting those standards looks like within the bounds of the law and the school's model; the school administrator determines *how* the team will meet those expectations; and the staff *delivers* the plan with expertise. If students at MMCS are to be served well, all players must be accountable to their role.

The IPCSC is happy to assist the Board, its administrator, or the school's staff in better understanding this report or the performance framework standards the school must achieve.

As MMCS works towards recovering from this situation, IPCSC staff will attend Board meetings, will conduct additional desk audits, and will make additional site visits to the school for the purpose of observing the school's progress and providing additional feedback and guidance.

Please contact the IPCSC office if you have any questions regarding this report.

Attachment A

Courtesy Letter March 31, 2021



March 31, 2021

Monticello Montessori Charter School
4707 Sweetwater
Ammon, ID 83406

Dear Board of Directors,

The purpose of this letter is to inform you that the Idaho Public Charter School Commission (IPCSC) received a complaint regarding multiple aspects of operations at Monticello Montessori Charter School (MMCS). I discussed the complaint with Erica Kemery and Ken Glodo on March 29, 2021, and am writing to follow-up on that conversation.

The IPCSC is obligated to investigate the validity of the complaint and must determine whether a term of the school's Performance Certificate has been violated or whether there is reason to believe a provision of law has been violated.

At this time, several aspects of the school's operations require further investigation. This includes issues directly related to the complaint as well as issues that have been discovered since that time, such as invalid Articles of Incorporation and a non-compliant expenditure transparency webpage.

While a governing board may delegate the execution of day-to-day operations to its administrator, the board itself bears the ultimate responsibility of ensuring that the school operates effectively. For this reason, this letter is being issued to all currently serving board directors.

Should the IPCSC determine there is reason to believe the school may have violated any provision of the law, both the school and the entity responsible for administration of that law will be notified.

The subsequent pages provide detail regarding our initial concerns. I appreciate your attention to providing the requested documentation by April 12th.

Please feel free to contact our office with any questions.

Sincerely,

Jenn Thompson
Director, Idaho Public Charter School Commission

1. Regarding the complaint made to the PCSC

A complaint was received on March 25, 2021. The school was notified on the same day. The complaint alleges the following: (a) a personnel matter was handled unprofessionally by the school's administrator, causing young children unnecessary emotional stress; (b) the board of directors may be receiving monetary benefits through contracts held by the school; and (c) the board's grievance procedures do not allow grievances to be escalated to the board's attention.

With regard to allegation (a), IPCSC staff referred the complainant to the Idaho Professional Standards Commission, as that is the appropriate body to determine whether further investigation is necessary in that matter. It is my understanding that such a complaint has been filed.

With regard to allegation (b), Idaho Code 33-5204(6)(a) expressly prohibits a charter school board director from having a pecuniary interest in any contract relating to the school.

With regard to allegation (c), charter school boards bear full responsibility for all aspects of the school. For this reason, it is important for boards to have a mechanism through which stakeholders can communicate. Model grievance procedures do allow for escalation to the board, after resolution has been attempted at more local levels.

Please provide the following documentation directly to the IPCSC:

- Monthly expenditure reports from July 1 2020-Current.
- All supporting contracts related to expenditures, if already existing.
- All meeting minutes from July 1 2020-Current.
- Any additional meeting minutes dated after July 1 2018, which reflect a disclosure of any and all actual or potential conflicts of interest made by a governing board director.
- A copy of the board's current grievance policy and any related documented procedures

2. Regarding MMCS's Articles of Incorporation

In October of 2020, the IPCSC notified MMCS that its Articles of Incorporation had been dissolved by the Idaho Secretary of State due to failure to file the annual report. A school charter may only be held by a board of directors that is lawfully organized under the Idaho Nonprofit Corporation Act. While we appreciate that this report was quickly filed and the school board's status was reactivated, it appears that the new filing solely names Emily Thomas as the only board director. As this is the case, it is unclear whether any decisions made by the school's board since January are valid.

As a reminder, IDAPA 08.03.01.301.05 requires that the school provide to the IPCSC the full names, addresses (including email addresses), phone numbers, and resumes of each board director within five (5) business days of any changes, including the board director's term start date. It has come to our attention that the person most recently reported to the IPCSC as Vice Chair has since left the service of the board. This board director's seat remains unfilled.

Please provide the following documentation directly to the IPCSC:

- Please provide a statement from the school's legal counsel explaining the impact of operating since December 30, 2020 with inaccurate Articles of Incorporation and, if necessary, what cure might be recommended.
- A copy of the filed correction to the Articles of Incorporation listing board directors appropriately.

- The full names, addresses, email addresses, phone numbers, resumes, and term dates for each current board director.
- Meeting minutes for the board meeting at which Anthony Kinikin's resignation was accepted.
- The board's policy for filling vacant board positions.

3. Regarding the Preschool Structure at MMCS

In the course of the discussion with the complainant, IPCSC staff became aware that the operational structure of the preschool at MMCS may be in violation of the school's operational contract. This concern was later confirmed in conversation with Ms. Kemery and Mr. Glodo. The school's Performance Certificate (operational contract) only allows the school to serve grades K-8. This means that the school's liability insurance may not cover a claim involving students the school is not authorized to serve. Many charter schools do provide preschool; however, this is accomplished through a services agreement with a third party vendor that carries its own insurance. While it appears that the school has been careful to keep funding separate in this tuition-based program, the school may need to pursue a vended operational structure to ensure appropriate insurance coverage and compliance with the terms of its Performance Certificate.

Please provide the following documentation directly to the IPCSC:

- A copy of the services agreement for preschool services with a vendor, if such exists.
- A copy of the school's facilities use policy, if such exists.

4. General Operational Concerns

Additionally, I want to bring to your attention some general concerns around reporting accuracy and timeliness, compliance with transparency requirements, and cooperation with necessary investigations. Several instances of the school struggling with these basic aspects of operation have come to light in the past few days. As a breakdown in operating function is considered a primary "indicator of distress" in charter schools, my hope is that by addressing these issues now, the MMCS board can take action to assist its administrator in getting the school back on track quickly.

Late payments impact the school's "default" rating on the financial section of the annual report. Late or inaccurate reports impact the school's ratings on multiple measures in the operational section of the annual report. In turn, annual reports are the primary documents used to inform the IPCSC's renewal decisions, and not meeting standard on one or more measure is reason for the IPCSC to consider non-renewal of the school's operations.

The general concerns include the following incidents:

- MMCS was notified of late reports to the IPCSC in August of 2020. Issue resolved.
- MMCS was notified of failure to file the annual report with the Idaho Secretary of State in October of 2020. It appears that the school's resolution to this issue created new concerns (noted in #2 above).
- MMCS was notified of delinquent payment due to the IPCSC in March of 2021. Issue unresolved.
- Though a formal complaint has not yet been filed, it appears that concerns about timeliness and accuracy of reports are also held by the State Department of Education's data collection (ISEE) and Certification teams.

- The SDE's special education team had difficulty scheduling the necessary interviews in a formal investigation related to the school's implementation of federal special education law. Ms. Kemery indicated that this has since been resolved, though the State Department of Education has not yet confirmed the resolution.
- Idaho Code section 33-357(2) requires that a charter school maintain a webpage for the purpose of expenditure transparency. The webpage must include amounts, dates, descriptions of expenditures and their purpose, supporting contracts and reports related to expenditures, and the school's annual budget. It appears that the school's webpage is not up to date. This must be corrected.

Please provide the following documentation directly to the IPCSC:

- A link to the fully-updated expenditure webpage

Attachment B

Courtesy Letter April 29, 2021



April 30, 2021

Monticello Montessori Charter School
4707 Sweetwater
Ammon, ID 83406

Dear Monticello Montessori Charter School Board of Directors:

This letter serves as an update to the investigation into the operational practices at Monticello Montessori Charter School (MMCS).

After reviewing the documentation provided by MMCS in response to our letter dated 3/31/21, some additional information is necessary in order to complete our review. The following pages provide an update on our investigation, and request additional documentation necessary to the investigation.

I appreciate the continued cooperation from your team in this matter. Please do not hesitate to reach out if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jenn Thompson".

Jenn Thompson
Director, Idaho Public Charter School Commission

1. Regarding the complaint made to the IPCSC:

A complaint was received on March 25, 2021. The school was notified on the same day.

(a) The complaint alleged that a personnel matter was handled unprofessionally by the school's administrator, causing young children unnecessary emotional stress.

As stated in our letter dated 3/31/21 IPCSC staff referred the complainant to the Idaho Professional Standards Commission, as that is the appropriate body to determine whether further investigation is necessary in that matter.

(b) The complaint also alleged that the board of directors may be receiving monetary benefits through contracts held by the school.

The IPCSC reviewed all revenue, expenditures, and services agreements that it received from the school. At this time, the IPCSC does not have reason to believe that any MMCS board director holds a financial interest in any company receiving payment from MMCS. However, the documentation provided by MMCS did not include financial reports for January, February, or March of 2021. In addition, there are several large expenditures identified as credit card payments that require further documentation, and there appear to be several services agreements which have not yet been provided.

Please provide the following documentation directly to the IPCSC:

- Check register reports, YTD budget reports, and expenditure reports for January, February, and March of 2021.
- Please provide all account statements for fiscal year 21 (July 2020-June 2021) for the following credit cards, for the purpose of verifying the validity of expenditures related to the following payments:
 - Card # 3749 – amount \$260.07 paid in December 2020
 - Card # 3764 – amount \$1,718.04 paid in December 2020
 - Card # 4055 – amount \$2,470.90 paid in October 2020
 - Card #8645 – amount \$4,867.06 paid in October 2020

(c) Finally, the complaint alleged that the board's grievance procedures do not allow grievances to be escalated to the board's attention.

MMCS's grievance policy appears to be a template policy that has not yet been customized to the structure of the school. For example, the policy notes that complaints are first taken up with the building administrator, then with the principal, then with the superintendent, and then with the board. For staff, the process also includes the human resources officer. The building administrator, principal, superintendent, and human resources officer are all the same person in the MMCS structure. In practice, the policy does not provide a path by which a grievance may be effectively escalated.

Additionally, while the board has strong policies and procedures in place for public comment at board meetings, the process for escalating grievances is not easily accessible or clear.

The lack of clarity in the language of the policy and the lack of accessibility of the correlating procedures may, in part, account for stakeholders' decisions to pursue other routes of grievance.

The IPCSC recommends that the MMCS governing board update its policy to reflect the school's specific management structure, and recommends that the board provide for public accessibility of the procedures.

2. Regarding MMCS's Articles of Incorporation

In the course of the IPCSC's research into the original complaint, it was discovered that the school's Articles of Incorporation were incorrectly filed. MMCS provided sufficient documentation verifying that this issue has been corrected. The IPCSC appreciates the school's prompt attention to this matter.

Please note that filing inaccurate information and allowing Articles of Incorporation to lapse may pose a legal risk. The IPCSC recommends that the board ensure its administrator has sufficient operational support to complete all operational tasks for which the governing board bears ultimate responsibility.

3. Preschool Structure

Documentation provided by MMCS states that a preschool is operated by the school, and that a preschool teacher and paraprofessional are direct employees of the school, though the preschool teacher's salary appears to be paid, in part, through preschool tuition collected from participating families. The school's Performance Certificate (operating contract) states that the school is only authorized to serve grades K-8, and Idaho Code Section 33-5203(6) states that "a charter holder may not operate enterprises other than the public charter schools for which it has been authorized." MMCS does not have IPCSC authorization to operate a preschool or to employ preschool teachers or paraprofessionals assigned to preschool students.

The current preschool structure is a violation of the school's performance certificate and may be considered cause for a non-renewal recommendation if the issue is not remedied.

Should MMCS wish to offer preschool on campus it is recommended that fee collection, employee management, and program implementation all be conducted by a third party vendor through a services agreement that defines allowable facilities use, exchange of funds, and additionally certifies that the vendor carries the appropriate insurance. Please also note that appropriate procurement procedures must be followed in selecting a vendor.

Additional concerns with the current preschool structure include:

- (a) Documentation provided by the school indicates that the school collects tuition from parents for preschool and that the funds are used to pay a proportionate share of utilities, facilities use, and the like. However, there is no documentation that identifies what this proportionate share is or how that amount is calculated, nor is such accounting reflected in the financial reports provided to the IPCSC.
- (b) The separation of preschool revenue and expenditures is not clearly delineated in the school's budget and expenditure reports. For example, the July budget projects \$0.00 in preschool revenue, but \$30,000 in preschool expenditures. In contrast, the school's December budget reports a collection of \$14,000 in preschool revenue, and \$0.00 in expenditures.
- (c) The school maintains facilities use policies, procedures, and forms (4210, 4210F, 4210F2, 4210F3, and 4210P) which provide appropriate guidance for negotiating a services agreement

of this nature. However, these policies and procedures were not utilized. This may be a matter of failure to implement existing board policy.

- (d) (d) If federal or state funds have been used to support an unauthorized enterprise, such action may be investigated as a misuse of public funds, and may require further reporting to the entity responsible for administering any relevant laws.

Please provide the following documentation directly to the IPCSC:

- Evidence that the preschool as an enterprise of MMCS has been dissolved.
- A copy of the services agreement with the preschool provider.

4. General Operational Concerns

The IPCSC letter issued to MMCS on 3/31/21 notes several issues of general concern.

- (a) Reporting - Several instances of late, incomplete, or inaccurate reports were noted in the letter. After a thorough review of the school's financial situation, it appears this may be due, in part, to significant budget cuts and extensive employee turn-over.

Regardless of the cause, the responsibility of successfully executing all duties of the administrator's position falls to the administrator. The governing board bears the responsibility to ensure that sufficient resources are available to the administrator.

At MMCS's board meeting held on April 15, 2021, Ms. Kemery, the school administrator, stated that she has not been provided with a formal job description. This is concerning as leadership evaluations, reflecting an administrator's success at performing the duties of his/her position, have been filed every year. However, even without a formal job description, Ms. Kemery is accountable to the [Idaho Standards of Effective Principals](#), which include stewardship of school climate, collaborative leadership, and instructional leadership. She is also required to abide by the [Code of Ethics for Idaho Professional Educators](#).

The governing board is required to conduct formal evaluations of its employees each year. The IPCSC recommends that the MMCS governing board immediately engage in this process not only because it is required of the board, but also because it will likely help identify the supports necessary for success at MMCS.

- (b) Special Education – The letter noted complications with a special education investigation. The State Department of Education has since provided the IPCSC with documentation of the issue. It appears that concerns about cooperation have been resolved and the school has a corrective action plan to execute. Pursuant to IDAPA 08.02.04.300.04, the MMCS governing board is obligated to provide the IPCSC with follow-up information regarding the issue, including details on the progress being made toward resolving this issue.
- (c) Expenditure Transparency – MMCS requested a two-week extension on updating its website. The IPCSC granted the extension. Please note that Idaho Code section 33-357 requires all public schools to provide transparency of expenditures on the school's website. Please also note that this requirement includes all active contracts/service agreements. MMCS provided services agreements for the following in the school's original response: Holinka Law, Generation Occupational Therapy, PLLC; T. Bates Counseling Mentor, Construction Trade,

and ATX Learning. However, based on the IPCSC's review of expenditures, it appears that several other contracts/services agreements exist. These must be provided to the IPCSC and must also be posted to the school's expenditure transparency website.

Please provide the following documentation directly to the IPCSC:

- Copies of all contracts/service agreements between MMCS and vendors that have not yet been provided to the IPCSC, including the following:
 - Celebration Physical Therapy;
 - Valor IT Support;
 - Hanes LLC Technology Support (specifically regarding SchoolDex); and
 - Remind101.

5. Financial Review Questions

In the course of reviewing MMCS's finances, a few issues were noted that warrant feedback to the MMCS board of directors and/or require further follow-up.

(a) Lease Agreements - IDAPA 08.03.01.301.01 requires that copies of lease agreements for student facilities be on file with the authorizer. It appears that the school services two debts related to its facility, one held by the Bank of Idaho and the other held by the USDA. The documentation for these debts may not be up to date in the IPCSC's files.

(b) D & O Policy - The school board's director and officer insurance policy was reduced from an anticipated expenditure of \$4,800 in July to \$0 in December. While it is clear MMCS has weathered significant revenue reduction during the pandemic, this is a necessary policy for the protection of the governing board.

(c) Health Insurance - The school's budget and expenditure reports do not appear to contain health insurance for full-time employees as a line item. Section 5F of the school's Performance Certificate requires all full-time employees be covered by health insurance, whether that be through the school or obtained privately.

(d) Reimbursements - Thirty-six (36) instances of reimbursements made to employees without explanation are noted in the school's expenditure reports (July-December). This is a more frequent use of reimbursement than the IPCSC typically sees. Additional documentation is necessary to verify the validity of the reimbursements.

The IPCSC recommends that the MMCS governing board review its financial policies and note its future expectations regarding reimbursements, either through a policy revision or a board resolution for the record. Additionally, the IPCSC recommends that the MMCS governing board consider implementing a purchase order process that would reduce the need for reimbursements, and ensure that teachers are not responsible for bearing the initial cost of necessary purchases.

Please provide the following documentation directly to the IPCSC:

- If the facility-related debt service agreements are leases, please provide copies of the full lease agreements. If these debt service agreements are direct loans to the school,

please provide a statement of attestation;

- A copy of the TEQ lease agreement, and note this services agreement should be posted on the school's website;
- Please provide proof of an active directors and officers insurance policy;
- Please provide more information regarding the health insurance benefits offered to full-time staff; and
- Please provide documentation of the specific purchases (i.e., purchase requests, approval, and receipts) for the following reimbursement which were greater than \$100.00:
 - Reference # 011057 – amount \$311.53 to Erica Kemery on 12/19/20
 - Reference #011063 – amount \$101.63 to Pauline Zweers-Asche on 12/20/20
 - Reference # 011074 – amount \$434.71 to Sally Mills on 12/20/20
 - Reference # 010925 – amount \$523.76 to Annalisa Blake 10/05/20
 - Reference # 010935 – amount \$121.97 to Sally Mills on 10/05/20
 - Reference # 010834 – amount \$309.13 to Erica Kemery on 8/19/20
 - Reference # 010866 – amount \$257.20 to Mauro Cabral on 8/19/20
 - Reference #010824 – amount \$116.23 to Maureen Miaullis on 7/31/20

Additional Feedback

- (a) District vs. LEA - The school refers to itself as a “district” on several formal documents, including service agreements and employment offers, as well as in various communications. Please note that MMCS is a “local education agency” as defined in 08.02.04.500.01. No charter school can hold the legal designation of “district”.
- (b) Payroll Advances - The school appears to have provided payroll advances to two employees in March. This is not a recommended practice. The IPCSC recommends that the governing board review its financial policies and note its future expectations regarding payroll advances either through a policy revision or a board resolution for the record.
- (c) Budget Amendment - The FY21 budget, approved by the school's board was amended sometime after the original board approval. The amendment appears to reflect a reduction in expected revenue by approximately \$550,000. However, none of the meeting minutes for the year reflect this amendment, nor was the IPCSC notified. Please remember that IPCSC policy requires that the IPCSC be notified within five (5) days of any budget amendment, and all motions made by the board should be noted in the meeting minutes.

Attachment C

Courtesy Letter May 25, 2021

May 25th, 2021

Subject: Public Records Request and Notice of Site Visit

Monticello Montessori Charter School
4707 Sweetwater
Ammon, ID 83406

Dear Board of Directors:

I am writing to follow up on documentation requested in a previous letter dated April 30, 2021. To date, we have only received part of the documentation requested. Please consider this a formal public records request for all documentation noted in the April 30th letter. The April 30th letter is attached for reference.

In addition, Idaho Code section 33-5209(C)(1) provides a charter school authorizer with the authority to conduct investigations and inquiries necessary to fulfill its oversight and reporting obligations, outside of the public records request process. As the requested documentation is incomplete and any documentation provided may not represent the whole story, I have determined that a site visit is necessary to ensure the thoroughness of our investigation.

This letter serves as notice that IPCSC staff will be on the MMCS campus Monday, June 21, 2021 and Tuesday, June 22, 2021. During this visit we will need full and complete access to financial records and reports to ensure that all outstanding questions are sufficiently addressed. We will also need to meet with your leadership team (administrator and business manager) and a representative from your governing board to discuss expectations going forward and to establish a plan for recovery and progress monitoring.

Please have a representative from your governing board contact me directly by June 2, 2021, so that we may coordinate the specifics of the site visit agenda. I am available by both phone and email during regular business hours, and available by phone in the evenings.

Sincerely,


Jenn Thompson | Director
jenn.thompson@osbe.idaho.gov
208-332-1594

Attachment D

Notification of Fiscal Concern June 11, 2021

IV. D. NOTIFICATION OF FISCAL CONCERN MONTICELLO MONTESSORI CHARTER SCHOOL

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §33-5209C(3)

IPCSC Policy, Section VI.E

BACKGROUND

Pursuant to Idaho Code, if the IPCSC has reason to believe that a public charter school may not remain fiscally stable for the remainder of its performance certificate term, the IPCSC shall issue to the State Department of Education written notification of concern.

[Section VI.E, IPCSC Policy](#) was updated in August of 2020.

DISCUSSION

Monticello Montessori Charter School (MMCS) struggled with enrollment in the fall of 2020. In July, the school projected 256 students. By November, the school had enrolled approximately 200 students. The school's enrollment for the 2021-22 school year is not clear and, as of the date of these materials, the school has not held a budget hearing to establish an FY22 budget.

The school has two outstanding special education disputes that have exhausted resources for resolution outside of the court system. As these issues progress, legal fees for formal hearings will likely prove an additional financial burden on the school.

Through review of the school's financial reports and discussion with the State Department of Education, it is clear that MMCS has struggled with cash flow in FY21. The school appears to have used credit cards to manage cash flow issues throughout the year, incurring both interest and late fees on carried balances.

The school's newly appointed business manager has provided documentation that more than \$200,000 is available, but under previous administration, went unclaimed by the school. These funds are available for FY21 purchases through various federal funds administered by the State Department of Education. If these funds had been claimed earlier in the year, use of credit cards would likely have been unnecessary and the school would be in a position to meet IPCSC financial standards.

Most of the available money is provided on a reimbursement basis or otherwise requires documentation of allowable expenditures. Based on further discussion with the SDE's finance team and considering that receipts requested by the IPCSC on April 30th have not yet been produced, there is concern that the school may not be able to evidence the documentation required to claim the outstanding funds.

MMCS's governing board has been actively engaged in resolving the operational issues. The school's new Business Manager is experienced and capable. It does seem likely that the school can get back on track, though it may take some time to sort out the organizational transition.

SPEAKER

MMCS representative.

IMPACT

If the IPCSC issues a new notification of fiscal concern the school and the SDE will be notified in writing, and the SDE will proceed with a modified distribution of the school's base support for the whole of FY22.

If the IPCSC does not issue a notification of fiscal concern, no notification will be made and the school will receive its revenue on the regular schedule for FY22.

STAFF COMMENTS AND RECOMMENDATIONS

The IPCSC staff appreciate the cooperation from MMCS's administration, staff, and board of directors in getting the school back on track operationally. However, the financial situation could pose a risk to taxpayer dollars should the school not remain financially viable for the remainder of its performance certificate term.

Currently, IPCSC staff recommends issuing a notification of fiscal concern for MMCS.

COMMISSION ACTION

A motion to issue a notification of fiscal concern for Monticello Montessori Charter School for fiscal year 2022; OR

No action.

June, 14, 2021

Via: Email

Julie Oberle, Chief Financial Officer
Idaho State Department of Education

Re: Notification of Fiscal Concern; Monticello Montessori Charter School

Dear Ms. Oberle,

Pursuant to I.C. 833-5209C(3), I am writing to inform you that the Idaho Public Charter School Commission (IPCSC) has reason to believe that Monticello Montessori Charter School (MMCS) may not be able to remain fiscally sound for the remainder of its Performance Certificate term, which ends on June 30, 2023.

On June 10, 2021, the IPCSC voted to continue the notification of fiscal concern, through FY22. The IPCSC further recommends that the State Department of Education exercise its authority to modify the school's payment distributions accordingly.

Please feel free to contact me if you have any questions.

Sincerely,

Jenn Thompson | Director

Cc: Drew Hosford, MMCS Board Liaison to the IPCSC

Attachment E

MMCS Performance Certificate

CHARTER SCHOOL PERFORMANCE CERTIFICATE

This performance certificate is executed on this 14th day of June 2018, by and between the Idaho Public Charter School Commission (the “Authorizer”), and Monticello Montessori Charter School, Inc. (the “School”), an independent public school organized as an Idaho nonprofit corporation and established under the Public Charter Schools Law, Idaho Code Section 33-5201 *et seq*, as amended (the “Charter Schools Law.”)

RECITALS

WHEREAS, on July 22, 2009, the Authorizer approved a charter petition for the establishment of the School; and

WHEREAS, the School began operations in the year 2010; and

WHEREAS, the School’s charter was renewed on March 1, 2018, for a five-year term of operations,

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

SECTION 1: AUTHORIZATION OF CHARTER SCHOOL

- A. Continued Operation of School.** Pursuant to the Charter Schools Law, the Authorizer hereby approves the continued operation of the School on the terms and conditions set forth in this Charter School Performance Certificate (the “Certificate”). The approved Charter is attached to this Certificate as Appendix C.
- B. Term of Agreement.** This Certificate is effective as of July 1, 2018, and shall continue through June 30, 2023, unless earlier terminated as provided herein.

SECTION 2: SCHOOL GOVERNANCE

- A. Governing Board.** The School shall be governed by a board (the “Charter Board”) in a manner that is consistent with the terms of this Certificate so long as such provisions are in accordance with state, federal, and local law. The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the School. The Charter Board shall also have authority for and be responsible for policy and operational decisions of the School, although nothing herein shall prevent the Charter Board from delegating decision-making authority for policy and operational decisions to officers, employees and agents of the School, as well as third party management providers.

- B. Articles of Incorporation and Bylaws.** The articles of incorporation and bylaws of the entity holding the charter shall provide for governance of the operation of the School as a nonprofit corporation and public charter school and shall at all times be consistent with all applicable law and this Certificate. The School shall notify the Authorizer of any modification to the Articles or Bylaws within five (5) business days of approval by the Charter Board.
- C. Charter Board Composition.** The composition of the Charter Board shall at all times be determined by and consistent with the Articles and Bylaws and all applicable law and policy. The Charter Board shall notify the Authorizer of any changes to its composition and provide an amended School Leadership Roster within five (5) business days of their taking effect.

SECTION 3: EDUCATIONAL PROGRAM

- A. School Mission.** The mission of the School is as follows: Through a Montessori-inspired approach to learning, students will maximize their inner potentials and experience purpose and meaning in life, take responsibility for their own education, cultivate personal dignity and develop independence and purpose in life.
- B. Grades Served.** The School may serve students in grades K-8.
- C. Design Elements.** The School shall implement and maintain the following essential design elements of its educational program:
- Maintain commitment to the core Montessori curriculum and instruction by utilizing authentic Montessori materials.
 - Idaho State Standards are used as a basis for what every child needs to know. From there, the Montessori approach is utilized to help students master required knowledge and skills.
 - Employ experienced Montessori teachers or teachers who will become Montessori certified.
 - Employ a building principal/educational leader who has knowledge of Montessori principles and curriculum through Montessori coursework, Montessori Administrator Credential and/or annual conference exposure.
 - Students will utilize work plans to guide them in their learning toward mastery.
- D. Standardized Testing.** Students of the School shall be tested with the same standardized tests as other Idaho public school students.
- E. Accreditation.** The School shall be accredited as provided by rule of the state board of education.

SECTION 4: AUTHORIZER ROLE AND RESPONSIBILITIES

- A. Oversight Allowing Autonomy.** The Authorizer shall comply with the provisions of Charter School Law and the terms of this Certificate in a manner that does not unduly

inhibit the autonomy of the School. The Authorizer's Role will be to evaluate the School's outcomes according to this Certificate and the Performance Framework rather than to establish the process by which the School achieves the outcomes sought.

- B. Charter School Performance Framework.** The Charter School Performance Framework ("Performance Framework") is attached and incorporated into this agreement as Appendix B. The Performance Framework shall be used to evaluate the School's academic, financial and operational performance, and shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and operational performance metrics set forth in the Charter and not explicitly incorporated into the Performance Framework. The specific terms, form and requirements of the Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authorizer and will be binding on the School.
- C. Authorizer to Monitor School Performance.** The Authorizer shall monitor and report on the School's progress in relation to the indicators, measures, metrics and targets set out in the Performance Framework. The School shall be subject to a formal review of its academic, mission-specific, operational, and financial performance at least annually.
- D. School Performance.** The School shall achieve an accountability designation of *Good Standing* or *Honor* on each of the three sections of the Performance Framework. In the event the School is a party to a third party management contract which includes a deficit protection clause, the School shall be exempt from some or all measures within the financial portion of the Performance Framework. In accordance with Charter School Law, the Authorizer shall renew any charter in which the public charter school met all of the terms of its performance certificate at the time of renewal.
- E. Performance Framework As Basis For Renewal of Charter.** The School's performance in relation to the indicators, measures, metrics and targets set forth in the Academic and Mission-Specific, Operational and Financial sections of the Performance Framework shall provide the basis upon which the Authorizer will decide whether to renew the School's Charter at the end of the Certificate term. As part of the Performance Framework, the Authorizer agrees to consider mission-specific, rigorous, valid, and reliable indicators of the School's performance. These negotiated indicators will be included in the Mission-Specific portion of the Academic and Mission Specific section of the Performance Framework.
- F. Authorizer's Right to Review.** The School will be subject to review of its academics, operations and finances by the Authorizer, including related policies, documents and records, when the Authorizer deems such review necessary. The Authorizer shall conduct its reviews in a manner that does not unduly inhibit the autonomy granted to the School.
- G. Site Visits.** In addition to the above procedures, the Charter School shall grant reasonable access to, and cooperate with, the Authorizer, its officers, employees and other agents, including allowing site visits by the Authorizer, its officers, employees, or other agents, for the purpose of allowing the Authorizer to fully evaluate the operations and performance

of the School. The Authorizer may conduct a site visit at any time if the Authorizer has reasonable concern regarding the operations and performance of the School. The Authorizer will provide the School reasonable notice prior to its annual site visit to the School. The School shall have an opportunity to provide a written response to the site visit report no later than fourteen (14) days prior to the meeting at which the report is to be considered by the Authorizer. If no written response is provided, the School shall have the opportunity to respond orally to the site visit report at the meeting.

- H. Required Reports.** The School shall prepare and submit reports regarding its governance, operations, and/or finances according to the established policies of and upon the request of the Authorizer. However, to the extent possible, the Authorizer shall not request reports from the School that are otherwise available through student information systems or other data sources reasonably available to the Authorizer.

SECTION 5: SCHOOL OPERATIONS

- A. In General.** The School and the Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authorizer policies applicable to charter schools.
- B. Maximum Enrollment.** The maximum number of students who may be enrolled in the school shall be 345 students. Annually, no less than two (2) months prior to Monticello Montessori's lottery application deadline, the Board of Directors will establish, at its regularly scheduled meeting, by motion and vote, an 'Annual Enrollment Capacity' for each grade level (K-8), not to exceed the maximum enrollment number (345). Each year, the Administration will: (1) Recommend annual enrollment capacity numbers by grade to the Board. (2) Post the Annual Enrollment Capacity information on the school's website within five (5) days of the Board vote; and (3) conduct the lottery and enrollment process in compliance with the limits established in the Board's Annual Enrollment Capacity motion and vote.
- C. Enrollment Policy.** The School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, marital status, religion, ancestry, disability or need for special education services. In no event may the School limit admission based on race, ethnicity, national origin, disability, gender, income level, athletic ability, or proficiency in the English language. If there are more applications to enroll in the charter school than there are spaces available, the charter school shall select students to attend using a random selection process that shall be publicly noticed and open to the public.
- D. School Facilities.** 4707 S. Sweetwater Way, Ammon, ID 83406. The School shall provide reasonable notification to the Authorizer of any change in the location of its facilities.
- E. Attendance Area.** The School's primary attendance area is as follows: Bonneville, Bingham, and Jefferson Counties.
- F. Staff.** Instructional staff shall be certified teachers as provided by rule of the state board

of education. All full-time staff members of the School will be covered by the public employee retirement system, federal social security, unemployment insurance, worker's compensation insurance, and health insurance.

- G. Alignment with All Applicable Law.** The School shall comply with all applicable federal and state laws, rules, and regulations. In the event any such laws, rules, or regulations are amended, the School shall be bound by any such amendment upon the effective date of said amendment.

SECTION 6: SCHOOL FINANCE

- A. General.** The School shall comply with all applicable financial and budget statutes, rules, regulations, and financial reporting requirements, as well as the requirements contained in the Performance Framework incorporated into this agreement as Appendix B.
- B. Financial Controls.** At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) commonly accepted accounting practices and the capacity to implement them (2) a checking account; (3) adequate payroll procedures; (4) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (5) internal control procedures for cash receipts, cash disbursements and purchases; and (6) maintenance of asset registers and financial procedures for grants in accordance with applicable state and federal law.
- C. Financial Audit.** The School shall submit audited financial statements from an independent auditor to the Authorizer no later than 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 and any other format as may be reasonably requested by the Authorizer.

SECTION 7: TERMINATION, NON-RENEWAL AND REVOCATION

- A. Termination by the School.** Should the School choose to terminate its Charter before the expiration of the Certificate, it may do so upon written notice to the Authorizer. Any school terminating its charter shall work with the Authorizer to ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix D.
- B. Nonrenewal.** The Authorizer may non-renew the Charter at the expiration of the Certificate if the School failed to meet one (1) or more of the terms of its Certificate. Any school which is not renewed shall work with the Authorizer to ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school

closure protocol established by the Authorizer attached as Appendix D.

- C. Revocation.** The School's Charter may be revoked by the Authorizer if the School has failed to meet any of the specific, written renewal conditions attached, if applicable, as Appendix A for necessary improvements established pursuant to Idaho Code§ 33-5209B(1) by the dates specified. Revocation may not occur until the public charter school has been afforded a public hearing, unless the Authorizer determines that continued operation of the public charter school presents an imminent public safety issue. If the School's Charter is revoked, the School shall work with the Authorizer ensure a smooth and orderly closure and transition for students and parents, as guided by the public charter school closure protocol established by the Authorizer attached as Appendix D.
- D. Dissolution.** Upon termination of the Charter for any reason by the Charter Board, or upon nonrenewal or revocation, the Charter Board will supervise and have authority to conduct the winding up of the business and other affairs of the School; provided, however, that in doing so the Authorizer will not be responsible for and will not assume any liability incurred by the School. The Charter Board and School personnel shall cooperate fully with the winding up of the affairs of the School.
- E. Disposition of School's Assets upon Termination or Dissolution.** Upon termination of the Charter for any reason, any assets owned by the School shall be distributed in accordance with Charter Schools Law.

SECTION 8: MISCELLANEOUS

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

IN WITNESS WHEREOF, the Authorizer and the School have executed this Performance Certificate to be effective July 1, 2018.



Chairperson, Idaho Public Charter School Commission



Chairperson, Monticello Montessori Charter School Board

Attachment F

MMCS Performance Framework

All proficiency and growth measures will be scored using the ISAT by SBAC, or any state-required standardized test as may replace it. Subject area (math and ELA) may be replaced by similar subject areas if necessary due to statewide changes. On all applicable measures, standard rounding to the nearest whole number will be used for scoring purposes. Measures based on ISAT outcomes exclude alternate ISAT data; as a result, the outcomes shown may differ slightly from those published on the State Department of Education's website.

INDICATOR 1: STATE PROFICIENCY COMPARISON		
Measure 1a	Do math proficiency rates meet or exceed the state average?	Result Points Possible Points Earned
Math Proficiency Rate Comparison to State	Exceeds Standard: The school's proficiency rate in math exceeds the state average by 16 percentage points or more.	50 0
	Meets Standard: The school's proficiency rate in math is equal to the state average, or exceeds it by 1 - 15 percentage points.	30 - 45 0
	Does Not Meet Standard: The school's proficiency rate in math is 1 - 15 percentage points lower than the state average.	15 - 29 0
	Falls Far Below Standard: The school's proficiency rate in math is 16 or more percentage points lower than the state average.	0 - 14 0
Notes	The state average will be determined using the same grade set as is served by the public charter school.	0
Measure 1b	Do English Language Arts proficiency rates meet or exceed the state average?	Result Points Possible Points Earned
ELA Proficiency Rate Comparison to State	Exceeds Standard: The school's proficiency rate in ELA exceeds the state average by 16 percentage points or more.	50 0
	Meets Standard: The school's proficiency rate in ELA is equal to the state average, or exceeds it by 1 - 15 percentage points.	30 - 45 0
	Does Not Meet Standard: The school's proficiency rate in ELA is 1 - 15 percentage points lower than the state average.	15 - 29 0
	Falls Far Below Standard: The school's proficiency rate in ELA is 16 or more percentage points lower than the state average.	0 - 14 0
Notes	The state average will be determined using the same grade set as is served by the public charter school.	0

INDICATOR 2: DISTRICT PROFICIENCY COMPARISON		
Measure 2a	Do math proficiency rates meet or exceed the district average?	Result Points Possible Points Earned
Math Proficiency Rate Comparison to District	Exceeds Standard: The school's proficiency rate in math either exceeds the district average by 16 percentage points or more, or is at least 80%.	50 0
	Meets Standard: The school's proficiency rate in math is equal to the district average, or exceeds it by 1 - 15 percentage points.	30 - 45 0
	Does Not Meet Standard: The school's proficiency rate in math is 1 - 15 percentage points lower than the district average.	15 - 29 0
	Falls Far Below Standard: The school's proficiency rate in math is 16 or more percentage points lower than the district average.	0 - 14 0
Notes	The district average will be determined using the same grade set as is served by the public charter school. Bonneville Joint School District will be used for comparison purposes.	0
Measure 2b	Do ELA proficiency rates meet or exceed the district average?	Result Points Possible Points Earned
ELA Proficiency Rate Comparison to District	Exceeds Standard: The school's proficiency rate in ELA either exceeds the district average by 16 percentage points or more, or is at least 80%.	50 0
	Meets Standard: The school's proficiency rate in ELA is equal to the district average, or exceeds it by 1 - 15 percentage points.	30 - 45 0
	Does Not Meet Standard: The school's proficiency rate in ELA is 1 - 15 percentage points lower than the district average.	15 - 29 0
	Falls Far Below Standard: The school's proficiency rate in ELA is 16 or more percentage points lower than the district average.	0 - 14 0
Notes	The district average will be determined using the same grade set as is served by the public charter school. Bonneville Joint School District will be used for comparison purposes.	0

INDICATOR 3: CRITERION-REFERENCED STUDENT GROWTH (GRADES K-8)			
Measure 3a	Are students making adequate academic growth to achieve math proficiency within 3 years or by 10th grade?	Result	Points Possible Points Earned
Criterion-Referenced Growth			
Math	Exceeds Standard: At least 85% of students are making adequate academic growth in math. Meets Standard: Between 70% and 84% of students are making adequate academic growth in math. Does Not Meet Standard: Between 50% and 69% of students are making adequate academic growth in math. Falls Far Below Standard: Fewer than 50% of students are making adequate academic growth in math.		76-100 0 51-75 0 26-50 0 0-25 0 <hr/> 0
Notes			
Measure 3b	Are students making adequate academic growth to achieve English Language Arts proficiency within 3 years or by 10th grade?	Result	Points Possible Points Earned
Criterion-Referenced Growth			
ELA	Exceeds Standard: At least 85% of students are making adequate academic growth in ELA. Meets Standard: Between 70% and 84% of students are making adequate academic growth in ELA. Does Not Meet Standard: Between 50% and 69% of students are making adequate academic growth in ELA. Falls Far Below Standard: Fewer than 50% of students are making adequate academic growth in ELA.		76-100 0 51-75 0 26-50 0 0-25 0 <hr/> 0
Notes			

INDICATOR 1: EDUCATIONAL PROGRAM			
Measure 1a	Is the school implementing the material terms of the educational program as defined in the charter and performance certificate?	Result	Points Possible
Implementation of Educational Program	<p>Meets Standard: The school implements the material terms of the mission, vision, and educational program in all material respects, and the implementation of the educational program reflects the essential elements outlined in the charter and performance certificate. A cohesive professional development program is utilized.</p> <p>Partially Meets Standard: The school partially implements the material terms of the mission, vision, and educational program. However, implementation is incomplete, not cohesive, inconsistent, unclear, and/or unsupported by adequate resources and professional development.</p> <p>Does Not Meet Standard: The school has deviated from the material terms of the mission, vision, and/or essential elements of the educational program as described in the performance certificate, without an approved amendment, such that the program provided differs substantially from the program described in the charter and performance certificate.</p>		Points Earned
			25
			15
			0
Notes			0
Measure 1b	Is the school complying with applicable educational requirements?	Result	Points Possible
Educational Requirements	<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to educational requirements, including but not limited to: Instructional time requirements, graduation, and promotional requirements, content standards including the Common Core State Standards, the Idaho State Standards, state assessments, and implementation of mandated programming related to state or federal funding.</p> <p>Partially Meets Standard: The school has exhibited non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to educational requirements; however, matters of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to educational requirements; and/or matters of non compliance are not quickly remedied, with documentation, by the governing board.</p>		Points Earned
			25
			15
			0
Notes			0

Measure 1c	Is the school protecting the rights of students with disabilities?	Result	Points Possible	Points Earned
Students with Disabilities				
<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to the treatment of students with identified disabilities and those suspected of having a disability, including but not limited to: Equitable access and opportunity to enroll; identification and referral, appropriate development and implementation of IEPs and Section 504 plans; operational compliance, including provisions of services in the LRE and appropriate inclusion in the school's academic program, assessments, and extracurricular activities; discipline, including due process protections, manifestation determinations, and behavioral intervention plans; access to school's facility and programs; appropriate use of all available applicable funding.</p> <p>Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the treatment of students with identifiable disabilities and those suspected of having a disability. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the treatment of students with identifiable disabilities and those suspected of having a disability; and/or matters of non compliance are not quickly remedied, with documentation, by the governing board.</p>			25	
			15	
			0	
				0
Notes				
Measure 1d	Is the school protecting the rights of English Language Learner (ELL) students?	Result	Points Possible	Points Earned
English Language Learners				
<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to requirements regarding ELLs, including but not limited to: Equitable access and opportunity to enroll; required policies related to the service of ELL students; compliance with native language communication requirements; proper steps for identification of students in need of ELL services; appropriate and equitable delivery of services to identified students; appropriate accommodations on assessments; exiting students from ELL services; and ongoing monitoring of exited students.</p> <p>Partially Meets Standard: The school has exhibited non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to the treatment of ELL students; however, matters of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to requirements regarding ELLs; and/or matters of non compliance are not quickly remedied, with documentation, by the governing board.</p>			25	
			15	
			0	
				0
Notes				

INDICATOR 2: FINANCIAL MANAGEMENT AND OVERSIGHT			
Measure 2a	Is the school meeting financial reporting and compliance requirements?	Result	Points Possible
Financial Reporting and Compliance			Points Earned
	<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial reporting requirements, including but not limited to: Complete and on-time submission of financial reports including annual budget, revised budgets (if applicable) periodic financial reports as required by PCSC, and any reporting requirements if the board contracts with an Education Service Provider; on-time completion and submission of the annual independent audit and corrective action plans (if applicable); and all reporting requirements related to the use of public funds.</p> <p>Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial reporting requirements. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant non-compliance with applicable laws, rules, regulations, or provisions of the performance certificate relating to financial reporting requirements; and/or matters of non compliance are not quickly remedied, with documentation, by the governing board.</p>		25
			15
			0
Notes			0
Measure 2b	Is the school following General Accepted Accounting Principles (GAAP)	Result	Points Possible
GAAP			Points Earned
	<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial management and oversight expectations as evidenced by an annual independent audit, including but not limited to: An unqualified audit option, an audit devoid of significant findings and conditions, material weakness, or significant internal control weaknesses; and an audit that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report.</p> <p>Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to financial management and oversight expectations as evidenced by an annual independent audit. Any matters of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits failure to comply with applicable laws, rules, regulations, or provisions of the performance certificate relating to financial management and oversight expectations as evidenced by an annual independent audit; and/or matters of non compliance are not quickly remedied, with documentation, by the governing board.</p>		25
			15
			0
Notes			0
Measure 2c	Is the school successfully enrolling the projected number of students?	Result	Points Possible
Enrollment Variance			Points Earned
	<p>Meets Standard: Enrollment variance equaled or exceeded 95 percent in the most recent fiscal year.</p> <p>Partially Meets Standard: Enrollment variance was between 90 and 95 percent in the most recent fiscal year.</p> <p>Does Not Meet Standard: Enrollment variance was less than 90 percent in the most recent fiscal year.</p>		25
			15
			0
Notes	Enrollment variance is calculated by dividing actual mid-term enrollment by the enrollment projection in the school's board-approved budget, as submitted to the SDE at the beginning of the fiscal year.		0

INDICATOR 3: GOVERNANCE AND REPORTING			
Measure 3a	Is the school complying with governance requirements?	Result	Points Possible
Governance Requirements			Points Earned
<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to governance by its board, including but not limited to: board policies; board bylaws; code of ethics; conflicts of interest; board composition; and compensation for attendance at meetings.</p>			25
<p>Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to governance by its board. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p>			15
<p>Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, or provisions of the performance certificate relating to governance by its board; and/or matters of non compliance are not quickly remedied, with documentation, by the governing board.</p>			0
Notes			0
Measure 3b	Is the board fulfilling its oversight obligations?	Result	Points Possible
Board Oversight			Points Earned
<p>Meets Standard: The school's board practices consistent, effective oversight of the school, including but not limited to frequent review of the school finances and academic outcomes. Board meeting agendas, packets, and minutes reflect competent oversight practices and actions to foster academic, operational, and financial strength of the school, including ongoing board training, policy review, and strategic planning. The school's board has adopted and maintains a complete policy book.</p>			25
<p>Partially Meets Standard: Some of the school board's oversight practices are underdeveloped, inconsistent, incomplete, or reflect a need for additional training. Board meeting agendas, packets, and minutes reflect meaningful efforts toward self-evaluation and improvement. The school's policy book may be substantially complete but require additional maintenance.</p>			15
<p>Does Not Meet Standard: The school's board fails to practice consistent, effective oversight of the school, and/or documentation of competent oversight practices and actions is not maintained. The school's policy book may be incomplete, unmaintained, or non-existent.</p>			0
Notes			0

Measure 3c	Is the school complying with reporting requirements?	Result	Points Possible	Points Earned
Reporting Requirements	<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to relevant reporting requirements to the PCSC, the SDE, the SBOE, and/or federal authorities, including but not limited to: accountability tracking; attendance and enrollment reporting; compliance and oversight; and additional information requested by the authorizer.</p> <p>Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, and provisions of the performance certificate relating to relevant reporting requirements to the PCSC, the SDE, the SBOE, and/or federal authorities. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to relevant reporting requirements to the PCSC, the SDE, the SBOE, and/or federal authorities; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.</p>		25	
			15	
			0	
Notes				0
Measure 3d	Is the school complying with public transparency requirements?	Result	Points Possible	Points Earned
Public Transparency	<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to public transparency, including but not limited to: maintenance of its website, timely availability of board meeting minutes, and accessibility of documents maintained by the school under the state's Freedom of Information Act, Open Meeting Law, Public Records Law, and other applicable authorities.</p> <p>Partially Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to public transparency. Any instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, and provisions of the performance certificate relating to public transparency; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.</p>		25	
			15	
			0	
Notes				0
Measure 3e	Is the school meeting employee credentialing and background check requirements?	Result	Points Possible	Points Earned
Credentialing & Background Checks	<p>Meets Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to state and federal certification and background check requirements.</p> <p>Partially Meets Standard: The school materially complies with applicable laws, rules, regulations, and provisions of the performance certificate relating to state and federal certification and background check requirements. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.</p> <p>Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, or provisions of the performance certificate relating to state and federal certification and background check requirements; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.</p>		25	
			15	
			0	
Notes				0

		Result	Points Possible	Points Earned
Measure 3f Information Handling	Is the school handling information appropriately?			
	Meets Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to the handling of information, including but not limited to: maintaining the security of student records under the Family Educational Rights and Privacy Act and other applicable authorities; storing and transferring student and personnel records; and securely maintaining testing materials.		25	
	Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, and requirements of the performance certificate relating to the handling of information. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		15	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, or provisions of the performance certificate relating to the handling of information; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0	
Notes				0
INDICATOR 4: SCHOOL ENVIRONMENT				
Measure 4a Transportation	Is the school complying with transportation requirements?			
	Meets Standard: The school provides student transportation within its primary attendance area and materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to transportation.		25	
	Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, or requirements of the performance certificate relating to transportation; and/or provides an incomplete form of transportation services. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board.		15	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, or provisions of the performance certificate relating to transportation; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board; and/or the school does not provide transportation.		0	
Notes				0
Measure 4b Public Transparency	Is the school complying with facilities requirements?			
	Meets Standard: The school materially complies with applicable laws, rules, regulations, and requirements of the performance certificate relating to the school facilities and grounds, including but not limited to: Americans with Disabilities Act, fire inspections and related records, viable certification of occupancy or other required building use authorization, and documentation of requisite insurance coverage. The school facility is clean, well-maintained, and adequate for school operations.		25	
	Partially Meets Standard: The school largely exhibits compliance with applicable laws, rules, regulations, and requirements of the performance certificate relating to the school facilities and grounds. Instances of non-compliance are minor and quickly remedied, with documentation, by the governing board. Additional facility maintenance and/or updates have been recommended by DBS.		15	
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with applicable laws, rules, regulations, or provisions of the performance certificate relating to the school facilities and grounds; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board. The school facility may be in need of modification or repair required by DBS.		0	
Notes				0

INDICATOR 5: ADDITIONAL OBLIGATIONS			
Measure 5a	Is the school complying with all other obligations?	Result	Points Possible
Additional Obligations			Points Earned
	Meets Standard: The school materially complies with all other material legal, statutory, regulatory, or contractual requirements that are not otherwise explicitly stated herein, including but not limited to requirements from the following sources: revisions to statute and administrative rule; requirements of the State Department of Education; and requirements of the accrediting body.		25
	Partially Meets Standard: The school largely complies with all other material legal, statutory, regulatory, or contractual requirements that are not otherwise explicitly stated herein. Matters of non-compliance, if any, are minor and quickly remedied, with documentation, by the governing board.		15
	Does Not Meet Standard: The school exhibits frequent and/or significant failure to materially comply with all other material legal, statutory, regulatory, or contractual requirements contained in its charter contract that are not otherwise explicitly stated herein; and/or matters of non-compliance are not quickly remedied, with documentation, by the governing board.		0
Notes			0

INDICATOR 1: NEAR-TERM					
Measure 1a	Current Ratio: Current Assets divided by Current Liabilities	Result	Points Possible	Points Earned	
Current Ratio	<p>Meets Standard: Current Ratio is greater than or equal to 1.1 OR Current Ratio is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year's). <i>Note: For schools in their first or second year of operation, the current ratio must be greater than or equal to 1.1.</i></p> <p>Does Not Meet: Current Ratio is between 0.9 and 1.0 or equals 1.0 OR Current Ratio is between 1.0 and 1.1 and one-year trend is negative.</p> <p>Falls Far Below Standard: Current ratio is less than or equal to 0.9.</p>		50		
			10		
			0		
Notes					0
Measure 1b	Current Ratio: Cash divided by Current Liabilities	Result	Points Possible	Points Earned	
Cash Ratio	<p>Meets Standard: Cash Ratio is greater than 1.0 OR Cash Ratio is equal to 1.0 and one-year trend is positive (current year ratio is higher than last year's).</p> <p>Does Not Meet: Cash Ratio is between 0.9 and 1.0 OR Cash Ratio equals 1.0 and one-year trend is negative.</p> <p>Falls Far Below Standard: Cash ratio is equal to or less than 0.9.</p>		50		
			10		
			0		
Notes					0
Measure 1c	Unrestricted Days Cash: Unrestricted Cash divided by (Total Expenses minus Depreciation Expense/365)	Result	Points Possible	Points Earned	
Unrestricted Days Cash	<p>Meets Standard: 60 Days Cash OR Between 30 and 60 Days Cash and one-year trend is positive. <i>Note: Schools in their first or second year of operation must have a minimum of 30 Days Cash.</i></p> <p>Does Not Meet: Days Cash is between 15-30 days OR Days Cash is between 30-60 days and one-year trend is negative.</p> <p>Falls Far Below Standard: Fewer than 15 Days Cash.</p>		50		
			10		
			0		
Notes					0
Measure 1d	Default	Result	Points Possible	Points Earned	
Default	<p>Meets Standard: School is not in default of financial obligations. Financial obligations include, but are not limited to: nonpayment, breach of financial representation, non-reporting, non-compliance, financial judgements, loan covenants, and/or tax obligations.</p> <p>Does Not Meet: School is in default of financial obligations.</p>		50		
			0		
Notes					0

INDICATOR 2: SUSTAINABILITY																	
Measure 2a Total Margin and Aggregated 3-Year Total Margin Notes	Total Margin: Net Income divided by Total Revenue AND Aggregated Total Margins: Total 3-Year Net Income divided by Total 3-Year Revenues. 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. <i>Note: For schools in their first or second year of operation, the</i> Does Not Meet: Aggregated 3-Year Total Margin is greater than -1.5 percent, but trend does not "Meet Standard". Falls Far Below 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.	<table> <tr> <th>Result</th><th>Points Possible</th><th>Points Earned</th></tr> <tr> <td></td><td>50</td><td></td></tr> <tr> <td></td><td>30</td><td></td></tr> <tr> <td></td><td>0</td><td></td></tr> <tr> <td></td><td></td><td>0</td></tr> </table>	Result	Points Possible	Points Earned		50			30			0				0
Result	Points Possible	Points Earned															
	50																
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	0																
		0															
Measure 2b Debt to Asset Ratio Notes	Debt to Asset Ratio: Total Liabilities divided by Total Assets Meets Standard: Debt to Asset Ratio is less than 0.9. Does Not Meet: Debt to Asset Ratio is between 0.9. and 1.0 Falls Far Below Standard: Debt to Asset Ratio is greater than 1.0	<table> <tr> <th>Result</th><th>Points Possible</th><th>Points Earned</th></tr> <tr> <td></td><td>50</td><td></td></tr> <tr> <td></td><td>30</td><td></td></tr> <tr> <td></td><td>0</td><td></td></tr> <tr> <td></td><td></td><td>0</td></tr> </table>	Result	Points Possible	Points Earned		50			30			0				0
Result	Points Possible	Points Earned															
	50																
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	0																
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Measure 2c Cash Flow Notes	Cash Flow: Multi-Year Cash Flow = Year 3 Total Cash - Year 1 Total Cash AND One -Year Cash Flow = Year 2 Total Cash - Year 1 Total Cash Meets Standard: Multi-Year Cumulative Cash Flow is positive and Cash Flow is positive each year OR Multi-Year Cumulative Cash Flow is positive, Cash Flow is positive in one of two years, and Cash Flow in the most recent year is positive. <i>Note: Schools in their first or second year of operation must have positive cash flow.</i> Does Not Meet: Multi-Year Cumulative Cash Flow is positive, but trend does not "Meet Standard" Falls Far Below Standard: Multi-Year Cumulative Cash Flow is negative.	<table> <tr> <th>Result</th><th>Points Possible</th><th>Points Earned</th></tr> <tr> <td></td><td>50</td><td></td></tr> <tr> <td></td><td>30</td><td></td></tr> <tr> <td></td><td>0</td><td></td></tr> <tr> <td></td><td></td><td>0</td></tr> </table>	Result	Points Possible	Points Earned		50			30			0				0
Result	Points Possible	Points Earned															
	50																
	30																
	0																
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Measure 2d Debt Service Coverage Ratio Notes	Debt Service Coverage Ratio: (Net Income + Depreciation + Interest Expense)/(Annual Principal, Interest, and Lease Payments) Meets Standard: Debt Service Coverage Ratio is equal to or exceeds 1.1 Does Not Meet: Debt Service Coverage Ratio is less than 1.1	<table> <tr> <th>Result</th><th>Points Possible</th><th>Points Earned</th></tr> <tr> <td></td><td>50</td><td></td></tr> <tr> <td></td><td>0</td><td></td></tr> <tr> <td></td><td></td><td>0</td></tr> </table>	Result	Points Possible	Points Earned		50			0				0			
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	50																
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Attachment G

Preschool Timeline

MMCS Preschool Timeline

2009

- **May 1, 2009 IPCSC Petition Evaluation Report** | In the first evaluation report issued to the MMCS petitioning team by the IPCSC, clear notice was given that no state or federal funds or resources could be used to provide preschool services. The school was advised to not engage in this process.

2010

- **August, 2010** | MMCS begins operations.

2012

- **January 6, 2012 IPCSC Site Visit Report** | A noted area of non-compliance was the full day preschool program.
- **January 6, 2012 Amendment Request** | MMCS made a request to the IPCSC to amend the charter to include a full-day preschool on this day. This request was not allowable at the time and should have been denied. However, no record of this conversation (perhaps via phone?) exists. The amendment was never executed.
- **January 6, 2012 MMCS Meeting Minutes** | charges of preschool tuition are discussed. This indicates that funds were being collected by MMCS
- **January 26, 2012 MMCS Meeting Minutes** | that the school was providing preschool at that time and that the school was seeking post-implementation approval through a charter amendment. No such amendment ever executed, nor was such an amendment ever reflected as an agenda item on an IPCSC agenda.
- **3/22/2012 MMCS Meeting Minutes** | reflect a board vote to close the Preschool/Infant-Toddler/Daycare and the related bank accounts for the 2012-2013 school year.
- **11/28/2012 MMCS Meeting Minutes** | discussion notes reflect the board's intent for the preschool to also support childcare for current teachers whose children were not yet school age eligible as an employee benefit.

2013

- **1/23/2013 MMCS Meeting Minutes** |
 - Reflect board's final approval of a free childcare option for employees through the infant-toddler/preschool as a teacher recruitment and retention tool.
 - reflect the school auditor's concerns with the preschool program as his observations indicate that the funds were not being maintained separately and the likelihood that state funds were being used to support the preschool.
 - board voted that the Preschool would be suspended for 2013-2014 SY.

2015

- **11/19/2015 Meeting Minutes** | reflect a board discussion regarding plans to reopen the preschool. This discussion appears to have acknowledged the need to maintain separation of funds, impacts to the school's non-profit status, and the intent of the board to run the preschool as a separate enterprise. Motion was passed to approve "Private Pre-school", which would not be accessible to paying customers, but only used as an employee benefit. This motion approved teachers to provide child care for their own children in the classroom while they were teaching.

2016

- **1/21/2016 Meeting Minutes** | reflect that the preschool would be re-opening to the public a few days after this meeting. Administrator indicated that the financial separation of funds was reviewed with auditor and no issues were found. No documentation of the auditor's opinion appears to exist.
- **2/18/2016 Meeting Minutes** | Administrator provided legal compliance update that as the school is a state ran school, a licensed daycare facility to add the preschool is not needed.
- **February 2016 Legislative Session** | a proposed bill was passed that amended IC 33-203 (6) such that "A charter holder may not operate enterprises other than the public charter school for which it has been authorized".
- **4/20/2016 IPCSC Site Visit Report** | Identified that MMCS was receiving tuition for preschool age students; however, this report noted that state funds were subsidizing the preschool and that state funds could not be used for this purpose. It appears that there was some discussion of the school's intent to increase preschool tuition.
- **7/1/2016 Legislation Enacted** | Legislation approved in February became law. From this date forward, a charter school holder may not run any additional enterprise.

2021

- **May 25, 2021 IPCSC Courtesy Letter** | board was informed that the existing preschool was a violation of the school's performance certificate (since 2010) and that the school may not run a preschool.
- **5/6/2021 Meeting Minutes** | Board approved discontinuation of preschool
- **6/24/2021 IPCSC Site Visit** | It is unclear if funds were kept separate as there are statements identified revenue; however not evidence of expenditures to ensure state funding was not utilized to accommodate the preschool program.

Attachment H

MMCS Insurance Form Form

Monticello Montessori Charter School will ensure that all eligible staff members are covered by health insurance

Monticello Montessori Charter, page 21

I, (please print your name), _____ certify that I have health insurance. I will notify my employer if the status of my health insurance coverage changes.

_____ I have opted for a plan through the school's insurance broker. (Anderson Insurance Agency, 208-523-3340)

_____ I have shopped for my own insurance coverage and I am insured through "The Exchanges".

_____ I am covered through a spouse's/parent's insurance plan.

_____ OTHER (Please explain):

I carry a plan through _____
(Company i.e. Blue Cross, Pacific Source, etc...)

(Employee signature & date)

(Employer signature & date)

OPEN ENROLLMENT NOVEMBER 1ST
PLEASE CALL JEFF ANDERSON 208-523-3340
-OR- COMPLETE THIS FORM

Attachment I

Recommended Corrective Action Plan

ve Action Plan

Recommended Action Plan

Note: The following action plan is a recommendation. MMCS's governing board retains the autonomy to decide how the performance framework standards will be met. This document represents one possible path.

However, due dates for documentation submitted to the IPCSC and site visits made by the IPCSC are not optional.

Complete By August 5th:

Complete	Responsible Party	Description
	Business Manager	Provide to the IPCSC a definitive accounting by month of all preschool related revenue and expenditures for the 2020-21 school year.
	Business Manager	Close all credit card accounts for ex-employees. Reduce credit cards to a limit established by the board and ensure the signers on each account held by the school is accurate.
	Business Manager	Provide to the IPCSC any documentation evidencing the details of the AIC INTELEExchange purchase and/or evidence that the purchases reported as fraudulent were reimbursed by the bank.
	Board	Approve employment agreements and contracts for all employees.
	Board	Approve the preschool accounting (see above).
	Board	Conduct a first read of policy revisions/adoptions for the following: grievance, leave, calendar/contract hours, purchasing, travel, cash handling, and internal controls in general.
	Board	Consider adopting the IPCSC's revised framework

Complete By August 31st:

Complete	Responsible Party	Description
	Board	Approve a health insurance policy
	Board	Adopt any necessary policies or revisions to existing policies.
	Board	Complete training in minimally: administrator evaluation, public procurement, purchasing, and cash handling.
	Board Clerk	Provide to the IPCSC evidence that all board directors have participated in training regarding administrator evaluation
	Board Clerk	Provide to the IPCSC evidence that all board directors have participated in training regarding public procurement, purchasing, and cash handling.
	Board Clerk	Provide to the IPCSC a complete copy of board policy, minimally including grievance, leave, calendar and contract hours, purchasing, travel, and cash handling.
	Board Treasurer	Finalize the expectations on monthly reports to be made by the Business Manager to the Board, recommend to include payroll list (to verify who is being paid), check register (to ensure all expenditures are accounted for), budget to actuals report (for long-term planning), and expenditure reports for website (to ensure appropriate descriptions), and change in enrollment charts by week (to indicate potential revenue issues).
	Business Manager	Provide a complete asset inventory to the IPCSC. (A template can be provided).
	Business Manager	Ensure the school's expenditure transparency webpage is fully compliant.
	Administrator	Provide to the IPCSC complete organizational chart that includes each employee (by role, not name)
	Administrator	Provide to the IPCSC evidence that all teachers have received a copy of their job description and have participated in a review of all board policy and purchasing procedures.
	IPCSC Staff	Site visit for progress monitoring.

Complete by September 30th:

Complete	Responsible Party	Description
	Administrator and Teachers	IPCSC provided webinar or in-person training on the academic framework standards.
	Board	IPCSC provided webinar or in-person training on the performance framework.

Due by October 30th:

Complete	Responsible Party	Description
	Administrator	Provide each teacher with an observation and feedback to supplement spring of 2021 evaluations.
	Administrator	Provide the auditor's report to the IPCSC, including an opinion on the cause of the discrepancies between the bank account and the ledger during FY21, particularly those discrepancies that appear to have been corrected. The opinion should indicate whether further investigation is warranted.
	IPCSC Staff	Site visit for progress monitoring (to coincide with board meeting)
	Board	Review auditor's report and have auditor share feedback during an open meeting.