**Background**
The current sponsorship agreement expires in June 2010. The Hopkins School Board voted in December, 2009 to discontinue charter school sponsorship as of June 2011. Hopkins Schools has committed to serving as the Mainstreet sponsor through June 2011.

**Purpose**
To approve and sign the Memorandum of Understanding authorizing the one-year sponsorship agreement with Mainstreet School of Performing Arts

**Recommendation**
To approve the Memorandum of Understanding approving sponsorship with MSSPA for the 2010-1022 school year.

**Presenter(s)/Contact(s)**
Katie Williams

**Overview**
In February, 2010, Superintendent Schultz sent Commissioner of Education, Alice Seagren a letter requesting a waiver from the authorizer approval process. With the current agreement with Mainstreet School expiring in June 2010, we asked the Minnesota Department of Education to allow us to extend our current sponsorship agreement for one additional year rather than complete the new Authorizer Approval application recently developed by the state. Dr. Schultz received a response from Commissioner Seagren approving the waiver. The attached Memorandum of Understanding extends the current agreement for the 2010-11 school year.
Primary Issues to Consider
One-year Sponsorship Agreement, 2010-2011

Supporting Documents
› Memorandum of Understanding: One-year Sponsorship Agreement between Hopkins Public Schools and Mainstreet School of Performing Arts for 2010-11

› Approval letter from Commissioner Seagren

› 2009 Charter School FAQ

› 2007-2010 Sponsorship Agreement with Mainstreet School of Performing Arts
Memorandum of Understanding

Hopkins Public Schools and Mainstreet School of Performing Arts

One-Year Sponsorship Agreement 2010-11

Hopkins Public Schools, referred to as the “Authorizer” and the Mainstreet School of Performing Arts, the “School,” are entering into this one-year agreement as of July 1, 2010 through June 30, 2011 that extends the previous sponsorship agreement (June 1, 2007 through June 30, 2010) for one additional year. The terms and conditions of the 2007-2010 Sponsorship Agreement apply through June 30, 2011.

The Hopkins School Board voted in December 2009 to discontinue sponsorship of the Mainstreet School, effective June 2011 for financial and legislative reasons.

As per Section 8 of the Agreement, Non-Renewal (For Reasons Other Than Good Cause), sub-section 8.3 states:

Sponsor Continuation. If a non-renewal action is being taken under the provisions of either part 8.1 or 8.2 and if another sponsor has not agreed to serve as the new sponsor by the end of the Agreement period, the current Sponsor shall continue to serve as the Sponsor until a new sponsor is identified and approved by the Commissioner, but not longer than one additional year. If a new sponsor is not approved by the Commissioner after one additional year, the School must be dissolved according to the provisions of paragraphs 7.3 and 7.6 of this Agreement and pursuant to applicable law.

Attachment:
2007-2010 Sponsorship Agreement between Hopkins Public Schools and Mainstreet School of Performing Arts

Hopkins Public Schools

By: ______________________
School Board Chair

________________________
Date

Mainstreet School of Performing Arts

By: ______________________
School Board Chair

3/27/11
Date
March 31, 2010

John W. Schultz, Ph.D.
Education Services Center
1001 Highway 7
Hopkins, Minnesota 55305-4723

Dear Dr. Schultz:

Thank you for your letter dated February 2, 2010 requesting a waiver from the authorizer approval process. Your letter sought approval for Hopkins Public Schools (HPS) to offer a one-year charter contract renewal to Main Street School of Performing Arts (MSSPA).

The Minnesota Department of Education recently distributed a document titled Minnesota Charter Law FAQ (enclosed) to all charter school directors and authorizers. In the document, your concern is clarified; an existing un-approved authorizer party to a charter contract that ends in 2010 may renew the contract with the charter school through June 30, 2011. It appears that the Hopkins School District has extended a contract to MSSPA through June 30, 2011.

Please note that if HPS renews their contract with MSSPA through June 30, 2011 and at the conclusion of the renewed contract wishes to continue as an authorizer, Minnesota Statute § 124D.10(f) requires HPS to seek commissioner approval to do so (see below).

An authorizer that chartered a school before August 1, 2009, must apply by June 30, 2011, to the commissioner for approval, under paragraph (c), to continue as an authorizer under this section. For purposes of this paragraph, an authorizer that fails to submit a timely application is ineligible to charter a school.

If questions remain, feel free to contact David Hartman at 651-634-2304. Thank you for your commitment to public education in Minnesota.

Sincerely,

Alice Seagren
Commissioner

C: Karen Terhaar
   Karen Charles
   Nik Lightfoot
   Katie Williams
   Diane Schimelpfenig
   Hopkins School Board
   Representative John Benson

1500 Highway 36 West, Roseville, MN 55113-4266   651-582-8200   TTY: 651-582-8201

education.state.mn.us
2009 Charter School FAQ

Please note: Some of the information below is not specifically provided for in statute but is provided to address questions the Minnesota Department of Education ("department") Charter Schools office has received often, especially regarding charter school board member training and approval of charter school authorizers. View Charter School Law Minnesota Statutes.

BOARD COMPOSITION and ELECTIONS

Q. By what date will existing charter school boards need to be in compliance with new composition and election requirements per Minnesota Statute § 124D.10, subd. 4(g)?
A. Charter schools are expected to take timely and reasonable action to ensure compliance now with new board composition and election requirements and be fully compliant no later than June 30, 2010. A school’s authorizer is responsible for ensuring a school’s compliance in this area.

Q. When must the board of a new charter school be fully elected?
A. The ongoing board must be elected before a new school completes its third year of operation.

Q. May the school director and/or business manager serve as elected and/or voting members of the board?
A. No. According to Minnesota Statute § 124D.10, subd. 4(g), the school director and chief financial officer must be ex-officio nonvoting board members.

BOARD TRAINING

Q. What will the department’s process be for approving board training providers per Minnesota Statute § 124D.10, subd. 4(f)?
A. The department has announced the RFP for individuals or organizations to become certified to deliver high-quality training to charter schools according to Minnesota Statutes section 124D.10, subd. (f). Individuals may deliver the training under the sponsorship of an agency or organization, or as an agency or organization. An individual or organization may apply to become certified in one, two or all three components of charter board training. The three components are: Board Governance - Roles and Responsibilities; Oversight of Financial Matters; and Oversight of Employment Matters. An approved individual or organization may not subcontract to other individuals and/or organizations without the approval of MDE. An individual and/or organization is certified in an area for a maximum of five years. The Minnesota Department of Education, at any time, reserves the right to remove certification for cause from any individual or organization. It is anticipated that the department will approve initial training provider(s) by April 2010.
Q. How often will approved providers be evaluated?

A. An individual and/or organization is certified in an area for a maximum of five years. The Minnesota Department of Education, at any time, reserves the right to remove certification for cause from any individual or organization.

Q. How often will the Department approve new board training providers?

A. The department intends to conduct an RFP process at least once every three years to approve new board training providers.

Q. Where will the list of approved providers be maintained?

A. The list of approved training providers will be posted on the Department’s Charter Schools Web page: http://www.education.state.mn.us/MDE/Academic_Excellence/School_Choice/Public_School_Choice/Charter_Schools/index.html and updated annually as training providers change.

Q. When does a newly seated board member need to complete required training?

A. Each charter school board member shall attend department-approved training on board governance, the board's role and responsibilities, employment policies and practices, and financial management. A board member who does not begin the required training within six months of being seated and complete the required training within 12 months of being seated on the board is ineligible to continue to serve as a board member. This includes interim (appointed) and elected board members.

Q. What is the timeline for existing board members to participate in required training?

A. Department-approved board training began in late 2009. It is expected that all* charter school board members seated before January 1, 2010, will engage in training by June 30, 2010 and complete the training by December 31, 2010. Board members seated after January 1, 2010, will have 6 months from the date they are seated to engage in training and 12 months to complete training (*this excludes board members whose term expires before June 30, 2010).

Q. Does the training requirement also pertain to re-elected board members?

A. Board members must complete board training in all of the three required components administered by an approved provider at least once.

Q. Do board members have to repeat training each time they are re-elected?

A. No

Q. What is the process whereby schools notify the department of the election results?

A. Within 10 business days of a school’s board election, the school shall submit the election results, with an updated board roster, to the department’s Charter Schools office at: 1500 Highway 36 West,
CONFLICT OF INTEREST

Q. By what date will existing charter school boards need to be in compliance with new conflict of interest requirements per Minnesota Statute § 124D.10, subd. 4a?

A. Charter schools are expected to take timely and reasonable action to ensure compliance now with new conflict of interest requirements, and to be fully compliant no later than June 30, 2010. A school’s authorizer is responsible for ensuring a school’s compliance in this area. Instances of non-compliance after July 1, 2010, must be immediately reported to the department. Per Minnesota Statute § 124D.10, subd. 8a and 8b, violations of law may result in a reduction in the school’s state aid.

Q. Can an individual hold dual membership on a charter school board and charter school’s lessee’s board?

A. No. Although this was previously allowed under statute, so long as it was disclosed, the new charter law prohibits such dual membership. According to Minnesota Statute § 124D.10, subd. 4a, “[a]n individual is prohibited from serving as a member of the charter school board or directors if the individual . . . is an owner, employee or agent of, or a contractor with a for-profit or nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities.” In this scenario, the lessee would constitute a company with which the charter school contracts, even if there is no direct financial interest or gain for the particular individual seeking to hold dual membership on the boards. Accordingly, state statute now prohibits someone from serving on both the charter school board and the charter school lessee’s board (or the board of any other entity with which the charter school contracts for professional services, goods, or facilities).

Q. Do the conflict of interest regulations apply to board members related to a school employee?

A. The conflict of interest requirements in Minnesota Statute § 124D.10, subd. 4a do not prohibit board membership of persons related to a school employee. However, board members should recuse themselves from votes directly concerning any relative.

AUTHORIZERS and AFFIDAVITS

Q. What is the difference between a “Sponsor” and “Authorizer”?

A. A sponsor is an organization overseeing an existing charter contract that has not gained commissioner approval to operate as an authorizer of charter schools. In other words, a “sponsor” is an organization meeting the criteria identified in Minnesota Statute § 124D.10, subd. 3(b)(1) to subd. 3(b)(4), that oversees existing charter contracts signed prior to August 1, 2009, but is not approved by the commissioner as an authorizer in accordance with Minnesota Statute § 124D.10, subd. 3(c). An “authorizer” is an organization meeting the criteria identified in Minnesota Statute § 124D.10, subd.
A. No.

Q. What are the timelines regarding Charter School Program planning grant applications?

A. The anticipated dates for 2010 and 2011 CSP planning grant application deadline are Fall 2010, Spring 2011, and Fall 2011. It is anticipated that the new Authorizer Affidavit for Charter School Formation will be published sometime in the spring of 2010.

Q. What is the process for authorizer appeal if the authorizer’s application for certification is denied? What happens to the schools of a currently operating authorizer that is denied certification?

A. The commissioner’s decision to deny an authorizer application is final. The authorizer may submit a new application under the deadlines established by the department, or may challenge the commissioner’s decision by submitting a Writ of Certiorari to the Minnesota Court of Appeals no later than 60 days after the commissioner’s denial of the application.

Q. What is the process for authorizer appeal if an authorizer’s affidavit is denied? Is the commissioner’s decision following appeal final?

A. The commissioner’s decision to deny an authorizer affidavit is final. The proposed authorizer may submit a new affidavit under the deadlines established by the department, or may challenge the commissioner’s decision by submitting a Writ of Certiorari to the Minnesota Court of Appeals no later than 60 days after the commissioner’s denial of the application.

Q. How is an authorizer fee charged to a school calculated?

A. Per Minnesota Statute § 124D.10, subd. 15, the 2009-10 and 2010-11 calculations are as follows:

\[ AMCPU = \text{adjusted marginal cost pupil units} \]

\[
\begin{align*}
2009-10 \\
\text{If a charter school is approved and in development, authorizer fee} & = \$5124.00 \\
\text{If a school’s AMCPU is less than 200, authorizer fee} & = \$5124.00 \\
\text{If a school’s AMCPU is more than 200 and less than 300, authorizer fee} & = (AMCPU \times 5124 \times .005) \\
\text{If a school’s AMCPU is more than 300, authorizer fee} & = \$7686.00
\end{align*}
\]

\[
\begin{align*}
2010-11 \\
\text{If a charter school is approved and in development, authorizer fee} & = \$5124.00 \\
\text{If a school’s AMCPU is less than 100, authorizer fee} & = \$5124.00 \\
\text{If a school’s AMCPU is more than 100 and less than 200, authorizer fee} & = (AMCPU \times 5124 \times .01) \\
\text{If a school’s AMCPU is more than 200, authorizer fee} & = \$10,248.00
\end{align*}
\]

CHARTER CONTRACTS

Q. What is the allowable term for an initial charter contract?
A. Per Minnesota Statute § 124D.10, subd. 6(9), the term of an initial charter contract may be up to three years plus an additional pre-operational planning year.

Q. What is the allowable term for a renewal charter contract?

A. Per Minnesota Statute § 124D.10, subd. 6(9), the term of a renewed contract may be up to five years if warranted by the school’s academic, financial, and operational performance. Only an approved authorizer may extend a contract beyond June 30, 2011.

Q. Does MDE have a model contract that reflects the new statutory language?

A. The department is currently updating its model contract and will provide a copy to all charter schools through the Charter Schools Update.

Q. If a sponsor has a charter contract that expires on June 30, 2010, do they need to be an approved authorizer to renew a future contract?

A. Sponsors with contracts ending in 2010 may extend the existing contract with a school they authorize through June 30, 2011.

Q. Can a charter school that has been notified by their authorizer of a “non-renewal for-cause” make a change of authorizer request to the commissioner?

A. No. A “non-renewal for-cause” consistent with Minnesota Statute § 124D.10, subd. 23(a) does not provide for a change of authorizer request.

GRADE AND SITE EXPANSIONS

Q. What is now entailed in the process to expand the operations of a school?

A. Per Minnesota Statute § 124D.10, subd. 4(j), an authorizer may permit the board of directors of a charter school to expand the operation of the charter school to additional sites or to add additional grades at the school beyond those described in the authorizer’s original affidavit as approved by the commissioner. This may be done only after submitting a supplemental affidavit for approval to the commissioner in a form and manner prescribed by the commissioner. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Q. When will the new supplemental affidavit for expansions process be available?

A. The department will publish a policy for the submission of supplemental affidavits by spring of 2010. Only approved authorizers will be eligible to submit supplemental affidavits.

FACILITIES

Q. When should newly approved schools or those with newly approved sites apply for lease aid?
A. Operational schools must apply for lease aid on an annual basis. Schools must apply to the Department before a lease contract/agreement is signed, starting in FY 2011 or for the fiscal year starting July 1, 2010, and ending June 30, 2011.

Q. Will an existing/former school site automatically be approved for lease aid?

A. No, the existing/former school site must currently meet all health and safety requirements applicable to school districts, as well as fire and building code requirements for educational facilities (E-Occupancy).

Q. Per Minnesota Statute § 124D.10, subd. 17a, when will the new affiliated nonprofit building corporation affidavit process be implemented?

A. The new affiliated nonprofit building corporation affidavit process applies to all contracts entered into or modified beginning August 1, 2009. The charter school and authorizer must have an approved application by the department prior to forming a new affiliated nonprofit building corporation.

EMPLOYMENT

Q. Have changes been made to employment provisions related to charter schools?

A. Yes. Per Minnesota Statute § 124D.10, subd. 11(a), when offering employment to a prospective employee, a charter school must provide that employee with a written description of the terms and conditions of employment and the school’s personnel policies. The charter school board is also subject generally to Chapter 181 as it relates to employment policies and practices.

A person that does not hold an administrator’s license may perform administrative, supervisory, or instructional leadership duties, so long as the board of directors establishes qualifications for persons that hold administrative, supervisory, or instructional leadership roles, which include instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. Documentation of the implementation of the professional development plan of these persons shall be included in the school’s annual report.

ANNUAL REPORTS

Q. How have annual public reports changed?

A. Annual public reports must address the criteria stated in Minnesota Statute § 124D.10, subd. 14. A school’s published annual report must first be approved by the school’s board of directors. A charter school must distribute the annual report by publication, mail, or electronic means to the commissioner, authorizer, school employees, and parents and legal guardians of students enrolled in the charter school and must also post the annual report on the charter school’s official Website. The annual reports are public data under Chapter 13.
Additionally, Minnesota Statute § 124D.10, subd. 4(c) states that “the board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the professional development plan of these persons shall be included in the school's annual report.”

PUBLIC DATA AND POSTING

Q. What other obligations do charter schools now have regarding public posting?

A. Per Minnesota Statute § 124D.10, subd. 4(c), a charter school also must post on its official Website information identifying its authorizer and indicate how to contact that authorizer. The charter school must also include this same information about its authorizer in other school materials that it makes available to the public. Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority; financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period.

Q. By what date must a charter school comply with the Minnesota Government Data Practices Act?

A. Per Minnesota Statute § 124D.10, subd. 8(l), all charter schools must immediately and fully comply with Chapters 13, the “Minnesota Government Data Practices Act” and 13D, the “Open Meeting Law.”

Q. Where can a charter school go to obtain additional information and assistance regarding compliance with the Minnesota Government Data Practices Act?

A. The Minnesota Department of Administration’s Information Policy Analysis Division can provide additional information regarding compliance with this act. They can be contacted at: 651-296-6733 or 800-657-3721, or via their Website at http://www.ipad.state.mn.us/.
CHARTER SCHOOL SPONSORSHIP AGREEMENT

Hopkins Public Schools, 1001 Highway 7, Hopkins, Minnesota 55305 ("Sponsor") and the Main Street School of Performing Arts ("School") are entering into this Agreement as of June 1, 2007 through June 30, 2010 for the purposes of defining the responsibilities and obligations of each party. It is the intention of the parties that this Agreement will comply with all requirements of the Minnesota Charter School Law (Minnesota Statutes Section 124D.10 et. seq.) that is attached to this Agreement as Attachment No. 1, as the law may be amended from time to time (the “Charter Law”).

Section 1. DEFINITIONS

For purposes of this Agreement, each of the following words or expressions shall have the meaning set forth in this section:

1.1 “Agreement” means this Charter School Agreement between Sponsor and the School.

1.2 “Applicable Law” means all state and federal law applicable to Minnesota charter School and any regulations implemented pursuant thereto.

1.3 “Application” means the charter School application and supporting documentation submitted by the School to and approved by the Minnesota Department of Education for the establishment of the School. The application is attached to this “Charter School Sponsorship Agreement” as Appendix 2 and by this reference is made a part of this contract. In the event that there is an inconsistency or dispute between the provisions in the Application and this Agreement, the provisions of this Agreement shall be followed.

1.4 “Approval” means the authorization by the Commissioner for the Sponsor to grant a charter to the School set forth as Appendix 2 (“Application”).

1.5 “Charter Law” means the Minnesota Statutes 124D.10 et seq., as amended, and any rules or regulations adopted by the Commissioner relating to this law. The Charter Law is Appendix 1.

1.6 “Charter School Board” means the Board established to govern the School, as provided under Minnesota Statutes §124D.10 subd. 4c.

1.7 “Commissioner” means the Commissioner of the Minnesota Department of Education.

1.8 “Department” means the Minnesota Department of Education.

1.9 “School” means the Main Street School of Performing Arts which is established as a charter school pursuant to this Agreement and which is incorporated pursuant to either Minnesota Statutes §317A or Minnesota Statutes §308A.
1.10 “School information” includes all educational data, as defined in Minnesota Statutes §13.32; any and all data related to employees; any and all complaints filed by the School as required by law and all complaints filed against the School; any and all investigative files and the results of any investigations; and any and all financial information as required to be disclosed under paragraph 5.10 below.

1.11 “Sponsor” means Hopkins Public Schools.

Section 2. PURPOSE OF THE SCHOOL; DESCRIPTION OF THE PROGRAM; PERFORMANCE INDICATORS AND EVALUATION

2.1 Purpose of the School/Description of the Program. The School will be organized and operated to achieve the purpose(s) of the charter school as stated in the charter application and as provided for in the Charter Law.

2.2 Performance Indicators and Evaluation.

(a) Graduation Standards. The School will document the performance of students at meeting the Minnesota Graduation Standards, as defined by Minnesota Statutes §§120B.02; 120B.024; and Minnesota Rules parts 3501.0010 – 3510.0280.

(b) No Child Left Behind (NCLB). The School will comply with the responsibilities and obligations of the Title I, Part A accountability provisions as specified under the federal No Child Left Behind Act or its implementing regulations established by the U.S. Department of Education including, but not limited to, participating in statewide assessments, meeting the state adequate yearly progress definition, meeting public and parent reporting requirements, implementing School sanctions if the School is identified for improvement, and meeting the highly qualified teachers and paraprofessional requirements.

(c) Identifying Goals and Performance Indicators. The School shall identify and the Sponsor shall agree to the goals and measurable performance indicators for the program model and mission of the School, governance, student and school performance, financial management and operation of the School, as set forth in Appendix 3 “School and Student Goals and Performance Indicators for FY 08, 09 and 10.” which also specifies the performance levels necessary in order for this Agreement to be renewed.

(d) Annual Report. The School shall file an Annual Report with the Sponsor and the Commissioner that is consistent with the provisions of Minnesota Statutes §124D.10 subd.14 and which contains the information required by the Sponsor and Commissioner. The report shall be filed in a timely manner. The School may include other information in the Annual Report.

(e) School Improvement Plan (SIP). Based on the results specified in the Annual Report, the School shall develop an annual School Improvement Plan (SIP) that
identifies the action to be taken by the School to continuously improve the performance of the School. If the School has not made Adequate Yearly Progress (“AYP”) under the NCLB, as determined by the Commissioner, the School shall include a description of the School’s plans to implement any of the responsive and/or corrective requirements of the NCLB in the following school year. The SIP shall be submitted either with the Annual Report or on a timeline agreed to by the School and the Sponsor. The Sponsor shall review and comment on the SIP. The School will provide the Sponsor with the Commissioner’s Review and Comment if any is received.

(f) **Annual Report/SIP Dissemination.** The School shall disseminate the annual report or a summary of the Report to the families of students attending the School. The SIP or a summary shall also be disseminated to the families of students attending the school.

### Section 3. LEGAL STRUCTURE AND AUTHORITY OF THE SCHOOL

#### 3.1 Legal Structure

(a) **Nonprofit Status.** The School is organized and operated as a nonprofit cooperative under Minnesota Statutes Chapter 308A, as amended, or as a nonprofit corporation under Minnesota Statutes Chapter 317A, as amended.

(b) **Articles of Incorporation.** The School’s articles of incorporation are set forth as Appendix 5.

(c) **Bylaws.** The School’s bylaws are set forth as Appendix 6 (“Bylaws”). The Sponsor shall be notified of any amendments to the bylaws.

(d) **Lease Space.** The School may lease space from any public or nonsectarian private organization, as it deems necessary.

(e) **Authorized Grades.** The authorized grades shall be as specified in Appendix 2 (Application) and shall not be changed without prior written consent of the Sponsor.

(f) **Enrollment/grade level expansion.** The School shall not expand its enrollment or grade levels beyond that specified in Appendix 2 (Application) without application to and approval by the Sponsor and Commissioner.

### Section 4. LOCATION OF THE SCHOOL

For the duration of this Agreement, the School shall maintain an operational school site within the boundaries of the Sponsor. Consistent with the provisions of its lease, the School may relocate to any location within the boundaries of the Sponsor with 60 days notice to the Sponsor and the Commissioner.
Section 5. OPERATING REQUIREMENTS

5.1 Governance

(a) Board of Directors. The School shall be governed by a board of directors. The School shall file changes in the membership of the Charter School Board with the Sponsor. Prior to the time such persons are seated as members of the Charter School Board, the School will conduct a criminal background check identical to those required by Minnesota Statutes §123B.03 subd 1. The Charter School Board will certify to the Sponsor that background checks have been completed and will provide to the Sponsor any adverse information revealed as part of the background checks and will evaluate, on a case-by-case basis, membership on the Charter School Board where the background check revealed adverse information.

(b) Powers. The Charter School Board shall provide policy leadership including, but not limited to long range planning and goal-setting for the School consistent with the School’s approved mission; holding the School accountable for meeting the goals; approving an annual budget and providing oversight of the budget; employing appropriate staff or contracting with organizations that do employ appropriate staff; reviewing the performance of the School director at least annually; and other policies regarding the operation of the School.

(c) School Board Election. Charter School Board elections and director qualifications will be as provided in the Charter Law.

(d) Open Meeting Law. All meetings and business of the Charter School Board shall comply with the Minnesota Open Meeting Law, Minnesota Statutes §13D.

(e) Frequency of Meetings. The Charter School Board shall meet as provided in the bylaws. A copy of the agenda, minutes and all related documents shall be provided to the Sponsor prior to the meeting at the time such documents are provided to the School Board. At the request of the Sponsor, the Charter School Board shall provide the Sponsor an opportunity to address the Charter School Board regarding matters determined by the Sponsor.

(f) Authorization of Employment. The Charter School Board or its delegate shall employ and contract with necessary teachers, as defined by Minnesota Statutes §122A.15, subdivision 1, who hold valid licenses to perform the particular service for which they are employed at the School.

(g) Non-licensed Personnel. The Charter School Board or its delegate may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services.
(h) **Collective Bargaining.** If the School chooses to engage in collective bargaining the School shall comply with Minnesota Statutes chapter 179A, the Public Employment Relations Act.

(i) **Charter School Board Training.** The Charter School Board shall participate in annual training regarding board governance, finance and operations as provided by the Commissioner consistent with Minnesota Statutes § 124D.10 subd. (f). In addition, the Charter School Board shall submit its plan for training to the Sponsor if requested by the Sponsor.

5.2 **Non-Sectarian.** The School shall be non-sectarian in its programs, admission policies, employment practices and all other purposes.

5.3 **Tuition.** The School will not charge Minnesota residents tuition for admission to the School. The School may impose fees and require payment of expenses for activities of the School where such fees and payments are not prohibited by applicable law. The School will comply with the Minnesota Public Schools Fee Law, Minnesota Statutes §§123B.34-.39, which governs authorized and prohibited student fees.

5.4 **Home School.** The School shall not be used as a method of providing education or generating revenue for students who are being home schooled pursuant to Minnesota Statutes §120A.22.

5.5 **Admissions**

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

(b) **Applications.** The School shall enroll an eligible pupil who submits a timely application, unless the number of applicants exceeds the capacity of the program, class, or grade level. In such cases, selection shall be by lot. A student continuing for the next year will be re-enrolled for the next year without re-application.

5.6 **Reporting to the Sponsor**

(a) **Reports.** The School shall file reports with the Sponsor regarding the program and financial status of the School. The Sponsor shall provide a format and a timeline for these reports (See district policy.)

(b) **Access to Information.** The School shall provide the Sponsor with and permit prompt and reasonable access to any School information requested by the Sponsor including education data on individuals. For purposes of such data disclosure, the
parties agree that they will be governed by Minnesota Statutes §13.05 subd. 6(c).

(c) **Other Reports.** The School and the Sponsor shall file all reports with the Commissioner consistent with the procedures established by the Commissioner.

(d) **Violations of Law.** The School shall promptly notify the Sponsor of all complaints that allege that a violation of state or federal law or regulation has been committed by the School.

5.7 **Financial Management**

(a) **Financial Reports.** The School shall provide the Sponsor a copy of the annual budget for review and comment prior to its approval by the Charter School Board if requested by the Sponsor. The School shall also provide the Sponsor periodic reports of the financial status of the School as provided for in section 5.6 (a).

(b) **UFARS.** The School will utilize the UFARS financial accounting principles and methods. Student accounting will comply with MARSS requirements. All accounting records will be audited annually by a public accounting firm engaged by the Charter School Board.

(c) **Audits.** The School will comply with the same financial audits, audit procedures, and audit requirements of Schools (Minnesota Statutes §§123B.75 to 123B.83) except when deviations are necessary because of the program of the School. The School will make available for review by the Sponsor all financial records at such times as requested by the Sponsor.

(d) **Creditors.** If the School has any payments to creditors for which there is an outstanding liability of over 90 days, the School will provide the Sponsor a written statement explaining the reasons for this and a proposal for payment of the outstanding liability.

5.8 **Transportation.** At the request of the School, the Sponsor shall be responsible for transportation of students within the boundaries of the Sponsor district consistent with the provisions of the Charter Law as it relates to student transportation. Such requests by the School shall be made by March 1 for the following academic year.

5.9 **Health and Safety**

(a) **Same as School District Requirements.** The School will comply with the same health and safety requirements as a school district.

(b) **Immunization.** The School will comply with Minnesota Statutes §121A.15, requiring proof of student immunization against measles, rubella, diphtheria, tetanus, pertussis, polio, mumps, and haemophilus influenza type b and hepatitis B.
5.10 Human Rights. The School will comply with the Minnesota Human Rights Act, Chapter 363A, which prohibits unfair discriminatory practices in employment, public accommodations, public services, or education; and comply with Minnesota Statutes §121A.04, which governs provision of equal opportunities for members of both sexes to participate in athletic programs.

5.11 Student Dismissal. The School will comply with the Minnesota Pupil Fair Dismissal Act (MPFDA), Minnesota Statutes §§121A.40-.56. The School Board shall maintain a discipline policy and procedure consistent with MPFDA prior to enrolling students.

5.12 Students with Disabilities. The School will comply with Minnesota Statutes §125A and §124D and applicable rules and Federal law relating to the education of pupils with a disability as though it were a school district.

5.13 Insurance. Notwithstanding anything to the contrary in this Agreement, the School shall be considered a school district for the purposes of tort liability under Minnesota Statutes chapter 466. The School shall acquire and keep in full force and affect the insurance coverage as required by law.

The Sponsor shall be named as an additional insured on such policies. The School agrees to provide the Sponsor with certificates of insurance at least annually, or as otherwise requested by the Sponsor.

Section 6. SPONSOR’S DUTIES

6.1 Oversight Plan. The Sponsor will implement a plan to provide ongoing oversight to determine whether the School is complying with the terms of this Agreement and to meet its responsibilities under the law regarding sponsorship. The Sponsor will use the following five criteria in determining the School’s compliance with this Agreement:

(a) Mission and Program Model Implementation. The Sponsor will evaluate whether the School has been faithful to the terms of the Agreement regarding the implementation of the School’s design.

(b) Governance. The Sponsor will evaluate whether the Board is performing its governance responsibilities.

(c) Student Performance. The Sponsor will evaluate whether the performance of the students meet the expectations as provided in Section 2.2.

(d) Finance. The Sponsor will evaluate whether the School is using its resources in compliance with the law and is planning for the future.

(e) Operation of the School. The Sponsor will evaluate whether the school is meeting the administrative requirements of the law relating to charter schools.
6.2 **Sponsor’s Duties.** In order to address the provisions of 6.1 above, the Sponsor will utilize district policy as the oversight tool in FY 08, 09 and 10.

6.3 **Fees.** The School shall pay the Sponsor the following fees for sponsoring the School:

(a) The School and the Sponsor may develop a “Purchase of Services Contract” to identify the services to be provided by the Sponsor during FY 08, FY 09, and FY 10. If the School wishes to purchase services, the “Purchase of Services Contract” will be finalized by May 15, 2007.

(b) During FY 08, FY 09, and FY 10, the School will pay the Sponsor $30 per pupil enrolled at the School not to exceed $10,000 per year unless Minnesota law is modified regarding sponsor fees.

(c) The School shall pay this fee within 30 days of receipt of the Sponsor’s invoice.

6.4 **Liaison.** The Sponsor shall designate a liaison for the School and shall inform the School annually of the name of this person. The name of the liaison, a brief biography of the liaison and the liaison’s duties are provided in Attachment No. 4.

6.5 **Communication of Areas of Concern**

(a) It is the intent of the parties to address areas of concern in a non-adversarial process when ever possible. To that end, the parties agree to communicate areas of concern and to develop plans to address issues using the provisions of Section 7 only when necessary.

(b) The Sponsor shall provide the Charter School Board feedback at least annually regarding the performance of the School. The primary feedback will be in response to the Annual Report as provided in Section 2.2 (d). The School shall address the concerns of the Sponsor in its School Improvement Plan provided for in Section 2.3.

(c) If the Sponsor has areas of concern regarding the performance of the School relating to Section 6.1 or any other part of this Agreement when it is not practical to utilize the procedures of 6.5 (b), the Sponsor shall inform the Charter School Board chairperson in writing of such concerns. The Charter School Board will be provided an opportunity to respond to the concern, including discussions with the Sponsor, prior to the provisions of Section 7 being implemented.

**Section 7. SPONSOR’S TERMINATION DURING TERM OF AGREEMENT OR AT END OF AGREEMENT FOR GOOD CAUSE**

7.1 **Grounds.** Sponsor may determine not to renew this Agreement at the end of the term for good cause. In addition, the Sponsor may unilaterally terminate the Agreement during the term of the Agreement for good cause. The grounds for non-renewal or termination for good cause include:
(a) Failure to meet the requirements for pupil performance contained in paragraph 2 of this Agreement;

(b) Failure to meet generally accepted standards of fiscal management;

(c) Substantial deviation from the school’s mission and program model, as indicated in this contract including the attachments, without prior approval from the Sponsor;

(d) Insufficient enrollment to provide the revenue necessary to meet the School’s budget;

(e) Failure of the Board to perform its governance responsibilities, including but not limited to the requirements set out in paragraph 5 of this Agreement;

(f) Failure to operate the school effectively, including but not limited to issues of personnel, filing of compliance reports and facilities issues;

(g) For violations of law;

(h) For other violations of the Agreement: and/or

(i) For other good cause shown.

7.2 Sponsor processes/ Charter School Board’s Response

(a) Notice to School. At least 60 days before the final decision regarding renewal or termination of this Agreement for cause, the Sponsor shall notify the School of the proposed action, in writing. The notice shall state the grounds for the proposed action in reasonable detail. The notice shall state that the Charter School Board may request, in writing, an informal hearing before the Sponsor within fourteen (14) days of receiving notice of non-renewal or termination of this Agreement.

(b) Charter School Board’s Response. Within fourteen (14) calendar days of receipt of the notice of termination or non-renewal for good cause, the Charter School Board may request an informal hearing before the Sponsor. Failure by the Charter School Board to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed non-renewal or termination. If the Charter School Board requests an informal hearing, within 14 calendar days of receipt of the notice of termination or non-renewal for good cause, the Charter School Board shall provide documentation or other evidence in writing to the Sponsor that addresses the issues raised in the notice for termination or non-renewal.

(c) Schedule for Hearing. Upon receipt of the documentation from the Charter School Board, the Sponsor shall give reasonable notice to the Board of the hearing date.
(d) **Hearing.** The parties agree that the hearing will not be subject to the requirements of Minnesota Statutes Chapter 14. The hearing will be informal and will be open to the public. Should any part of the hearing include the discussion of private data, that part of the hearing must be closed. Both the Charter School Board and the Sponsor may be represented by legal counsel and may have witnesses provide testimony or other evidence. The hearing will be tape recorded.

(e) **Sponsor decision.** Within 10 days of the informal hearing, but not later than the last day of classes in the school year, the Sponsor shall take final action to renew or not renew a contract. This final action will be in writing and will be provided to the Board of the Charter school. A copy will be filed with the Commissioner.

(f) **Appeal.** If the Sponsor is a local school board, the Charter School Board may appeal the Sponsor’s decision to the Commissioner within 10 days of receipt of the Sponsor’s decision. If a Sponsor is not a local school board, the Sponsor’s decision is final.

7.3 **Dissolution.** If this Agreement is terminated or not renewed based on the criteria in paragraph 7.2 above, the School shall be dissolved according to the applicable provisions of Minnesota Statutes chapter 308A and 317A.

7.4 **Distribution of Property Upon Dissolution.** In the event of dissolution of the School, all property that it might lease, borrow or contract for use shall be promptly returned to those organizations or individuals from which the School has leased or borrowed the materials.

7.5 **Property Owned by School.** All property that has been purchased by the School shall remain its own property. In the event of subsequent dissolution of the School, after all financial obligations are met the property shall be distributed to other charter schools consistent with the guidelines of the commissioner.

7.6 **Property Owned by Teachers or Staff.** All property personally and/or individually owned by the trained and licensed teachers or staff employed by the School shall be exempt from distribution of property and shall remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, curriculum manuals, personal mementos, and other materials or apparatus, which have been personally financed, by teachers or staff.

**SECTION 8: NON-RENEWAL (FOR REASONS OTHER THAN GOOD CAUSE)**

8.1 **Non-Renewal Notice.** Either party may determine that it will not renew the Agreement when the rational for non-renewal are not those provided for in paragraph 7 above. The party initiating this action shall provide notice to the other party and the Commissioner not later than 90 days prior to the end of the Agreement period of their intent to not renew the Agreement.
8.2  Mutual Termination. If one party determines that it wishes to terminate this Agreement during the term of the Agreement, both parties must agree to this discontinuation or the current Agreement shall remain in effect until otherwise terminated or not-renewed under paragraph 7 of this Agreement.

8.3  Sponsor Continuation. If a non-renewal action is being taken under the provisions of either part 8.1 or 8.2 and if another sponsor has not agreed to serve as the new sponsor by the end of the Agreement period, the current Sponsor shall continue to serve as the Sponsor until a new sponsor is identified and approved by the Commissioner, but not longer than one additional year. If a new sponsor is not approved by the Commissioner after one additional year, the School must be dissolved according to the provisions of paragraphs 7.3 through 7.6 of this Agreement and pursuant to applicable law.

8.4  Information to New Sponsor. If a new sponsor is approved by the Commissioner, the current Sponsor shall provide the new sponsor information about the fiscal and student performance of the School as required by Minnesota Statutes §124D.10 subd. 23(c).

8.4  Not for Cause. The transfer of sponsorship from the Sponsor to a different Sponsor under paragraph 8 of this Agreement is not considered to be a termination or non-renewal for cause as defined in paragraph 7 of this Agreement.

Section 9.  GENERAL TERMS

9.1  Amendments. This Agreement may not be amended without a written agreement executed by both parties and approved by the Commissioner of Education. If the authority of the School or Sponsor is altered by legislative act, Agreement is automatically amended to reflect the change in law as of the effective date of such change.

9.2  Sponsor Authority. Except as otherwise provided by this Agreement or Applicable Law, the Sponsor shall have no authority, control, power, or administrative or financial responsibility over the School. This provision does not prohibit the parties from contracting for any services deemed appropriate in the future.

9.3  Indemnification, Covenant Not to Sue, Immunity from Suit. The School shall assume full liability for its activities and shall indemnify and hold harmless the Commissioner and the Sponsor, its officers, and their agents and employees from any suits, claims, or liability arising under this Agreement. The School agrees not to sue the Sponsor or any of its representatives for any matters that arise under this Agreement. The School and Sponsor acknowledge and agree that the Commissioner, the Sponsor, members of the Board of the Sponsor and employees of the Sponsor, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to Minnesota Statutes 124D.10 subd. 25, and nothing in this Agreement is intended to affect such immunity.
9.4. **Waiver.** No waiver by either party or any breach of any covenant or provision of this Agreement shall be deemed to be a waiver of any succeeding breach of the same or any other covenant or provision.

9.5. **Severability.** If any provision in this Agreement is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the Agreement shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

9.6. **Survival of Provisions.** The terms, provisions and representations contained in paragraphs 5.16; 9.3; 9.7; 9.8; 9.9 and any other provisions of this Agreement that by their sense and context are intended to survive termination of this Agreement shall survive.

9.7 **Legal Liability.** The School agrees not to sue Sponsor or any of its representatives for any matters that arise under this Agreement. Sponsor does not assume any obligation with respect to any director, employee, agent, parent, guardian, student or independent contractor of the School, and no such person shall have the right or standing to bring suit against Sponsor or any of its representatives or representative independent contractors as a result of the issuing, overseeing, suspending, terminating, revoking or not renewing of this Agreement. The parties acknowledge and agree that the Commissioner, Sponsor, members of the Sponsor’s Board, and employees of Sponsor, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to Minnesota Statutes §124D.10 subd.25 and nothing in this Agreement is intended to affect such immunity.

9.8 **Indemnification of Sponsor.** Notwithstanding paragraph 9.7 above, the School agrees to indemnify and hold Sponsor and the Department and their employees, agents or representatives harmless from all claims, demands, or liability, including attorneys fees, and related expenses, which arise out of or are in any manner connected with the School’s operations or which are incurred as a result of the reliance of Sponsor upon information supplied by the School, or which arise out of the failure of the School to perform its obligations under this Agreement.

9.9 **Non-Agency.** It is understand that the School is not the agent of the Sponsor.
DATED: As of this _______day of _______________, 20____.

[SPONSOR]
By:

_____________________________    ______________________________
Signature                        Signature

_____________________________    ______________________________
Print Name                       Print Name

_____________________________
Title

[SPONSOR]
By:

_____________________________
Signature

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Print Name

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Title

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Signature

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Print Name

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Title