

CHARTER SCHOOL CONTRACT

between

State Public Charter School Authority

and

[SCHOOL]

DRAFT

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DRAFT

CHARTER CONTRACT

This agreement constitutes a Charter Contract (the “Charter Contract”) executed on this _____ day of _____ 20____ by and between the State Public Charter School Authority (the “Authority”), and _____ (the “Applicant(s)”) (collectively, the “Parties”) to establish and operate the _____ CHARTER SCHOOL (the “Charter School”), an independent and autonomous public school authorized to operate in the State of Nevada.

RECITALS

"WHEREAS, The primary consideration of the legislature in enacting legislation to authorize charter schools is to serve the best interests of all pupils, including pupils who may be at risk; and

WHEREAS, The intention of the legislature is to provide:

1. The board of trustees of school districts with a method to experiment with providing a variety of independent public schools to the pupils of this state;
2. A framework for such experimentation;
3. A mechanism by which the results achieved by charter schools may be measured and analyzed; and
4. A procedure by which the positive results achieved by charter schools may be replicated and the negative results may be identified and eliminated; and

WHEREAS, It is further the intention of the legislature to provide teachers and other educational personnel, parents, legal guardians and other persons who are interested in the system of public education in this state the opportunity to:

1. Improve the learning of pupils and, by extension, improve the system of public education;
2. Increase the opportunities for learning and access to quality education by pupils;
3. Encourage the use of different and innovative teaching methods;

4. Establish appropriate measures for and assessments of the learning achieved by pupils who are enrolled in charter schools;
5. Provide a more thorough and efficient system of accountability of the results achieved in public education in this state; and
6. Create new professional opportunities for teachers and other educational personnel, including, without limitation, the opportunity to increase the accessibility and responsibility of teachers and other educational personnel for the program of learning offered;"

WHEREAS, The Authority is authorized by the Legislature to sponsor charter schools pursuant to NRS 386.509; and

WHEREAS, on [DATE], the State Board of Education approved the proposed charter application as set forth in Exhibit #3 (initially or as amended, the "Charter Application") and incorporated herein; and

WHEREAS, the Parties' intend that this Charter Contract serve as a performance contract that governs the operation of the Charter School;

NOW THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Charter School agree as follows:

Part I: Operation of the School

1.1 Establishment

- 1.1.1 As authorized by the Nevada Revised Statute (NRS) 386.509, the Authority hereby authorizes the operation of the Charter School with the aforementioned conditions, and in accordance with the terms and conditions set forth in this Charter Contract.
- 1.1.2 This Charter Contract is entered into between the Charter School, its governing body (the “Charter Board”) and the Authority.

1.2 Parties

- 1.2.1 The person authorized to sign the Charter Contract on behalf of the Charter School is the President of the Charter Board (“Charter School Representative”).
- 1.2.2 The person authorized to sign on behalf of the Authority is the Chair of the Authority or, in the absence of the Chair, the Acting Chair.
- 1.2.3 The Charter School Representative affirms as a condition of this Charter Contract, that he/she is the above-described representative of the Charter School and has authority to sign this Charter Contract on behalf of the Charter School.

1.3 Term of Charter Contract

- 1.3.1 The Term of this Charter Contract shall be six (6) years.
- 1.3.2 This Charter Contract is effective upon execution, and the term of the Charter Contract begins July 1,20 and will terminate on June 30, 20, unless earlier terminated as provided herein.

1.4 General

- 1.4.1 The Charter School shall not operate for profit and may be incorporated as a nonprofit corporation pursuant to the provision of chapter 82 of NRS.
- 1.4.2 The Charter School certifies that all contracts obligating the Charter School have been and will be undertaken by the Charter School in accordance with statute and regulation..
- 1.4.3 The Charter School and its Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authority policies applicable to charter schools.
- 1.4.4 The Charter School shall be deemed a public school subject to all applicable provisions of local, state and federal law and regulation, specifically including but not limited to health and safety, civil rights, student assessment and assessment administration, data collection, reporting, grading, and remediation requirements, except to the extent such provisions are inapplicable to charter schools.
- 1.4.5 Pursuant to NRS 386.513, the Local Education Agency of the Charter School is the Authority.

1.5 Charter School Governing Body

- 1.5.1 The Charter School shall be governed by the Charter Board, and deemed a public

- body, in a manner that is consistent with the terms of this Charter Contract so long as such provisions are in accordance with applicable state, federal, and local law and regulation. (NRS 386.549)
- 1.5.2 The Charter Board shall have final authority and responsibility for the academic, financial, and organizational performance of the Charter School, and the fulfillment of the Charter Contract.
- 1.5.3 The Charter Board shall be the final authority in matters affecting the Charter School, including but not limited to staffing, job titles, employee salary and benefits, financial accountability and curriculum.
- 1.5.4 The Charter Board shall act in accordance with and is subject to the Nevada Open Meeting Law, Public Records Law, and Nevada Local Government Purchasing laws (NRS 332.039-.148)
- 1.5.5 The Charter Board shall have authority for and be responsible for policy and operational decisions of the Charter School. The Charter Board shall govern the Charter School pursuant to the following terms and conditions:
- 1.5.5.1 Articles and/or Bylaws. The articles of incorporation, if applicable, and bylaws of the Charter Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law, regulation and this Charter Contract. The articles of incorporation, if applicable, and bylaws are set forth in Exhibit #2 (initially or as amended, the “Articles and Bylaws”) and incorporated herein by reference. Any modification of the Articles and Bylaws constitutes a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.5.5.2 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 regulation. The complete roster of the Charter Board and each member’s affidavit, resume, and Request for Information shall be maintained in the Authority’s established document library (e.g., AOIS). The Charter Board shall notify the Authority of any changes to the Board Roster and submit an amended Board Roster to the documents library within ten (10) business days of their taking effect.
- 1.5.5.3 Affiliation. Notwithstanding any provision to the contrary in the Charter Contract or the Articles and Bylaws, in no event shall the Charter Board, at any time, include more than two directors, officers, employees, agents or other affiliates of any single entity, with the exception of the Charter School itself, regardless of whether said entity is affiliated or otherwise partnered with the Charter School. (NAC 386.345(3))
- 1.5.5.4 Conflicts of Interest. The Charter Board shall adopt a Conflicts of Interest Policy (the “Conflicts of Interest Policy”), including provisions related to

nepotism and consistent with this section and applicable law by January 1 of the Charter School's first year of operation . The Charter Board shall, at all times, comply with the provisions of the Conflicts of Interest Policy. The adopted and approved Conflicts of Interest Policy shall be maintained in the Authority's established document library. Any modification of the Conflicts of Interest Policy must be submitted to the Authority within five (5) days of approval by the Charter Board.

- 1.5.5.5 Non-Commingling. Assets, funds, liabilities and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authority.

1.6 Location

- 1.6.1 The Charter School shall provide educational or operational services, including delivery of instruction, at the location(s):

1.7 Facilities

- 1.7.1 The building(s) in which the Charter School is to be located shall be known as the Charter School Facilities (the "Facilities").
- 1.7.2 The Authority or its designee may, at the Authority's discretion, conduct health and safety inspections of the Facilities.
- 1.7.3 The Facilities shall meet all applicable health, safety and fire code requirements and shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public charter schools.
- 1.7.4 The Charter School's relocation to different Facilities shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.7.5 In the event that legally viable Facilities and/or necessary certificates and permits are not in place, the Charter School may not provide instruction at the Facilities or otherwise admit pupils into the Facilities. In such event, the Authority reserves the right to enforce any of the consequences for failure to act in accordance with the material terms and conditions of this Charter Contract.

1.8 Charter School Independence

- 1.8.1 Neither the Authority nor the board of trustees of the local school district in which the Charter School is located may assign any pupil who is enrolled in a

public school or any employee who is employed in a public school to the Charter School. Neither the Authority nor the local school district in which the Charter School is located may interfere with the operation and management of the Charter School except as authorized by NRS 386.490-.610, inclusive, and any other statute or regulation applicable to the Charter School or its officers or employees.

- 1.8.2 The Charter School will be subject to review of its operations and finances by the Authority, including related records, when the Authority, in its sole discretion, deems such review necessary.

1.9 Pre-Opening Requirements

- 1.9.1 The Charter School's pre-opening requirements (initially or as amended, the "Pre-Opening Requirements") shall be as presented in Exhibit #4 and incorporated by reference herein. Any change to the Pre-Opening Requirements shall be a material amendment to this Charter Contract and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.
- 1.9.2 Failure to timely fulfill any material term of the Pre-Opening Requirements shall be considered a breach of material compliance with the Charter Contract pursuant to NRS 386.535 and shall be grounds for Authority intervention. Notwithstanding the immediately foregoing, the Authority may modify the restrictions contained therein or may grant the Charter School an additional planning year upon good cause shown.

Part 2: School Operations

2.1 Open Meetings and Public Records

- 2.1.1 The Charter School shall maintain and implement policies and procedures to ensure that it complies with all applicable laws and regulations relating to public meetings and records.

2.2 Mission Statement

- 2.2.1 The Charter School's mission statement (initially or as amended, the "Mission Statement") shall be as presented in the approved Charter Application appearing in Exhibit #3 and incorporated by reference herein. Any change to the Mission Statement shall be a material amendment to this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.3 Age; Grade Range; Number of Students

- 2.3.1 The Charter School shall provide instruction to pupils in such grades and numbers in each year of operation under the Charter Contract as identified in the Charter Application appearing in Exhibit #3.

2.3.2 The Charter School may make modify the number of students in any particular grade, and number of students within a class, to accommodate staffing exigencies and attrition patterns provided such modifications are consistent with this Charter Contract.

2.3.3 Elimination of a grade level that the Charter School was scheduled to serve, expansion to serve grade levels not identified in 2.3.1, or an annual increase/decrease in total enrollment by more than 10% shall be a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Authorization to expand may require the Charter School to demonstrate satisfactory academic and financial performance, and organizational compliance.

2.4 Non-discrimination

2.4.1 The Charter School shall not discriminate against any student, employee or other person on the basis of race, color, creed, ethnicity, national origin, gender, marital status, religion, ancestry, disability, need for special education services, income level, athletic ability, proficiency in the English language or any other grounds that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by federal civil rights law.

2.5 Student Recruitment, Enrollment and Attendance

2.5.1 The Charter 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 Charter School limit admission based on race, ethnicity, national origin, gender, disability, income level, athletic ability, or proficiency in the English language, except as authorized by NRS 386.580(8).

2.5.2 The Charter School shall adopt and adhere to a Truancy and Absence Policy pursuant to NAC 386.180(5).

2.5.3 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.

2.5.4 Pursuant to NRS 386.580, Charter School may give enrollment preference based upon criteria established in law and regulation. Should state laws or regulations be amended to alter the nature or application of enrollment preferences, Charter School shall comply therewith upon the effective date of the changes. Before the Charter School enrolls pupils who are eligible for enrollment, the Charter School may enroll a child who:

2.5.4.1 Is a sibling of a pupil currently enrolled;

- 2.5.4.2 Was enrolled in a tuition-free prekindergarten program at the Charter School or affiliated program with the Charter School;
 - 2.5.4.3 Is a child of a person who is:
 - 2.5.4.3.1 Employed by the Charter School;
 - 2.5.4.3.2 A member of the Committee to Form the Charter School; or
 - 2.5.4.3.3 A member of the Charter Board;
 - 2.5.4.4 Is in a particular category of at-risk and the child meets the eligibility requirements prescribed by the Charter School for that particular category; or
 - 2.5.4.5 Resides within the school district and within two (2) miles of the Charter School if the Charter School is located in an area that the Authority determines includes a high percentage of children who are at-risk.
- 2.6 Tuition, Fees and Volunteer Requirements**
- 2.6.1 The Charter School shall not charge tuition or fees of any kind as a condition of enrollment. The Charter School may not impose any fees that a school district would be prohibited by applicable law or regulation from imposing.
 - 2.6.2 Nothing in this section shall be interpreted to prohibit the Charter School from imposing fees that a school district would be permitted to impose.
 - 2.6.3 Any requirement that a parent commit a number of volunteer hours shall be prohibited unless such a requirement considers individual family circumstances and allows for a waiver of volunteer hours.
- 2.7 School Calendar; Hours of Operation**
- 2.7.1 The Charter School shall adopt a school calendar with an instructional program to provide annually at least as many days of instruction as are required of other public schools located in the same school district as the Charter School is located, unless written approval from the Superintendent of Public Instruction provides for a waiver of this requirement. (NRS 386.550)
- 2.8 Student Conduct and Discipline**
- 2.8.1 The Charter School shall adopt and adhere to a student discipline policy (the “Discipline Policy”) pursuant to NRS 386.585 and regulation. The Charter School may not remove, withdraw, suspend or expel a pupil against a parent’s wishes for reasons other than the reasons for suspension or expulsion stated in NRS 392.4655 – 392.467 or other applicable statute or regulation. Nothing in this provision precludes the Charter School from withdrawing a pupil from the Charter School consistent with applicable law and regulation.
- 2.9 Service Agreements, Contracts, Facility Lease or Purchase**
- 2.9.1 Nothing in this Charter shall be interpreted to prevent the Charter School from entering into a contract or other agreement related to the operation of the school. The Charter School shall include in any agreement or contract entered into that the provisions of any such agreement are enforceable only to the extent they are compliant with applicable law and regulation. The Charter Board is

responsible for ensuring that all contracts or other agreements are compliant with existing law and regulation.

- 2.9.2 The Charter School shall clearly indicate to vendors and other entities and individuals with which or with whom the Charter School enters into an agreement or contract for goods or services that the obligations of the Charter School under such agreement or contract are solely the responsibility of the Charter School and are not the responsibility of the State of Nevada, the Authority, or the Department of Education.

2.10 Contracts with an Educational Management Organization (EMO)

2.10.1 The provisions appearing under 2.9 apply to contracts with an EMO.

2.10.2 Should the Charter School intend to enter into an agreement with an EMO as defined by NRS 386.562, the following provisions shall apply:

2.10.2.1 The Charter School shall comply with all Authority requests for information about the EMO that are reasonably related to the Authority's duty to ensure that the Charter School is in compliance with all provisions of this Charter Contract and NRS 386.562; and NAC 386.400, 386.405, 386.407, 386.180, and 386.204 or other applicable statute and regulation.

2.10.2.2 In no event shall the Charter Board of the Charter School delegate or assign its responsibility for fulfilling the terms of this Charter Contract.

2.10.2.3 Any management contract entered into by Charter School shall include an indemnification provision for the Charter School as follows: "The management company shall indemnify, save and hold harmless against any and all claims, demands, suits, actions, proceedings, losses, costs, judgments, damages, or other forms of liability to third parties, of every kind and description, actual or claimed, including but not limited to attorneys' fees and/or litigation expenses, including but not limited to injury to property or persons (including but not limited to civil rights violations), occurring or allegedly occurring, in connection with the operation of the management company, or from conduct committed or alleged to have been committed by the management company on the premises of the Charter School, or from conduct committed by the management company's employees, officers, directors, subcontractors, or agents, during the term of this Charter Contract or any renewal thereof. Additionally, the management company shall defend the Authority in any such action or proceedings brought thereon. This provision shall survive the termination of this contract."

2.10.2.4 Should the Charter School propose to enter into a contract with an EMO, the Charter School agrees to submit all information requested by Authority regarding the management arrangement, including a copy of the proposed contract and a description of the EMO, with identification of its principals and their backgrounds. Entering into a management contract is considered

a material amendment of the Charter Contract and Charter School shall not enter into such agreement without written Authority approval.

- 2.10.2.5 The termination or change of an EMO shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

2.11 Employment Matters

- 2.11.1 All employees of the Charter School shall be deemed public employees.
- 2.11.2 The Charter School agrees to comply with the provisions of NRS 386.595 regarding employment status and NRS 386.590 regarding teacher licensure.
- 2.11.3 Neither the Charter School, nor its employees, agents, nor contractors are employees or agents of the Authority; nor are either the Authority or its employees, agents, or contractors employees or agents of the Charter School. None of the provisions of this Charter Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Charter Contract.
- 2.11.4 The Charter School shall have ultimate responsibility for employment, management, dismissal and discipline of its employees, including key personnel employed by an EMO. The Charter School will establish and implement its own dispute resolution process for employment matters.
- 2.11.5 The Charter School may not employ instructional personnel whose certificate or license to teach has been revoked or is currently suspended by the state board of education in this state or another state. (NRS 386.590(a))
- 2.11.6 An employee of a charter school is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees Retirement System in a manner consistent with NRS 386.595.
- 2.11.7 The Charter School shall conduct criminal background checks and act in accordance with NRS 386.588.
- 2.11.8 The Charter School shall maintain employee files as identified in the Operations Manual, which are subject to audit by the Authority or other appropriate entity.
- 2.11.9 If the Charter School receives Title I funding, it must ensure that 100% of teachers in core academic subjects are Highly Qualified (as defined in the Elementary and Secondary Education Act) or are working pursuant to a plan to achieve Highly Qualified status.

2.12 Student Health, Welfare and Safety

- 2.12.1 The Charter School shall comply with all applicable federal and state laws and regulations concerning student health, welfare, and safety, including but not limited to state laws regarding the reporting of child abuse, accident prevention

and disaster response, and any applicable state and local regulations governing the operation of school facilities.

2.13 Transportation

2.13.1 If applicable, the Charter School shall be responsible for providing students transportation consistent with the plan proposed in the approved Charter Application appearing in Exhibit #3 and incorporated herein.

2.13.2 The termination or change of transportation shall constitute a material amendment of this Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

Part 3: Educational Program

3.1 Design Elements

3.1.1 The Charter School shall have control over and responsibility for delivery of the educational program and for attainment of the performance standards as set forth in the charter school performance framework (the “Charter School Performance Framework”) Exhibit #1 incorporated herein. The Charter School shall have discretion to modify, amend, adapt, and otherwise change the educational program as it deems necessary to achieve the performance standards so long as such changes are consistent with the Charter Application and the Charter Contract.

3.1.2 In determining whether or not the Charter School complies with the essential terms of the educational program, the Authority will use the Charter Application (initial or as amended) as the basis to assess fidelity.

3.2 Curriculum

3.2.1 The Charter School’s educational program shall meet or exceed Nevada’s content standards.

3.2.2 Any modification to the curriculum, either individually or cumulatively, that are of such a nature or degree as to cause the curriculum described within the approved Charter Application to cease to be in operation will be considered a material amendment of the Charter Contract and shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority.

3.3 Student Assessment

3.3.1 The Charter School shall be subject to and comply with all requirements related to the state assessment and accountability system for public schools.

3.3.2 Nothing in this section prohibits the Charter School or the Authority from assessing student learning outside of and in addition to the state’s testing program.

3.3.3 Educational program matters not specifically identified in this Charter

Contract shall remain within the Charter School's authority and discretion.

3.4 Special Education

- 3.4.1 The Authority is the "local education agency" ("LEA") for purposes of compliance with the Individuals with Disabilities Education Act ("IDEA").
- 3.4.2 The Charter School shall provide services and accommodations to students with disabilities as set forth in the Charter Application and in accordance with any relevant policies thereafter adopted, as well as with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), and all applicable regulations promulgated pursuant to such federal laws. This includes providing services to enrolled students with disabilities in accordance with the individualized education program ("IEP") prescribed by a student's IEP team. The Charter School shall comply with all applicable requirements of state law and regulation concerning the provision of services to students with disabilities.
- 3.4.3 An annual Memorandum of Understanding which defines the rights and responsibilities of the Charter School acting as a school of the LEA and the Authority acting as LEA will be annually updated and disseminated by the Authority and signed by the Parties.
- 3.4.4 The Charter School shall maintain a special education reserve as a financial reserve or demonstrate, to the Authority's satisfaction, that the Charter School carries an insurance policy with sufficient coverage to ensure compliance with the indemnification and financial obligations of the Charter School. Such reserve or insurance product shall not in any way limit the Charter School's obligation in the event the special education reserve or insurance product is insufficient to fully pay costs incurred in connection with any claim or claims, and the Charter School shall remain fully responsible for any and all costs incurred in connection with such claim or claims. The Charter School shall keep any special education reserve separate from and not utilize it to satisfy any other requirements applicable to the Charter School. Any special education reserve shall be maintained in a separate bank account and shall be equal to \$25,000 plus the interest that has been earned in this account to date. The Charter School shall fully fund any reserve account by the end of its fifth year of operation and contribute to it in a manner that can reasonably be expected to reach this goal. If money is withdrawn from the reserve account, unless otherwise agreed to in writing by the Authority, the Charter School shall be required to replace all sums withdrawn by the end of the subsequent fiscal year.

3.5 English Language Learners

- 3.5.1 The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall adhere to policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable laws and regulations. The Authority and the Charter School will work to assure compliance with any and all requirements of the state and federal law regarding services to English language learners.

Part 4: Charter School Finance

4.1 Financial Management

- 4.1.1 The Charter School shall control and be responsible for financial management and performance of the Charter School including budgeting and expenditures. The Charter School shall operate on a fiscal year that begins July 1 and ends June 30.
- 4.1.2 At all times, the Charter School shall maintain appropriate governance and managerial procedures and financial controls, including without limitation: (1) commonly accepted accounting practices and the capacity to implement them; (2) a bank account maintained within this State; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements and purchases; and (7) maintenance of asset registers and financial procedures for grants in accordance with applicable federal and state law.
- 4.1.3 The Charter School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB #34 performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authority in written form in accordance with the date established by law and regulation and identified in the Reporting Requirements Manual. The Charter School shall pay for the audit.
- 4.1.4 The Charter School shall prepare quarterly financial reports for the Authority in compliance with this Charter Contract. Such reports shall be submitted to the Authority no later than fifteen (15) days following the end of each quarter, as defined in the Reporting Requirements Manual.
- 4.1.5 The Charter School agrees to maintain financial records in accordance with the governmental accounting method required by the Nevada Department of Education (the "Department") and/or Authority and to make such records available upon request.

- 4.1.6 The Charter School shall use and follow the chart of accounts and any grant codes as defined by the Department in the Nevada Common Elements for Accounting and Reporting K-12 Educational Finances.
- 4.1.7 The Charter School shall assure that all financial records for the school are maintained, posted and reconciled at least monthly, and are open for public inspection during reasonable business hours.
- 4.1.8 The Charter School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School's budget.
- 4.1.9 Pursuant to NAC 387.770, the Charter School shall maintain a complete and current inventory of all school property and shall perform a physical inventory annually. Any asset acquired by the Charter School is the property of the Charter School for the duration of the Charter Contract and any subsequent renewals. The Charter School shall take reasonable precautions to safeguard assets acquired with public funds. The Charter School shall manage all assets consistent with the requirements of applicable law and regulation, including without limitation NAC 387.335, 387.342 and 387.360; and NRS 386.536.
- 4.1.10 If the Charter School's records fail to establish clearly whether an asset was acquired with the use of public funds, the assets shall be deemed to be public assets.
- 4.1.11 Except as may be expressly provided in this Charter Contract, as set forth in any subsequent written agreement between the Charter School and the Authority pursuant to NRS 386.561, or as may be required by law, neither the Charter School nor the Authority shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authority and the Charter School shall be subject to all terms and conditions of this Charter Contract, except as may be otherwise agreed in writing. The purchase of any services not expressly required under this contract or set forth in any subsequent written agreement between the Charter School and the Authority or required by law, shall not be a condition of the approval or continuation of this contract.
- 4.1.12 The Charter School shall comply with other requirements as may be imposed through state law or regulation, from time to time, on charter school finances, budgeting, accounting, and expenditures, provided that the Authority shall provide technical assistance regarding material changes to state law and regulation, and the Parties will collaborate to assure that they each remain reasonably current on the impact of any modifications on charter schools. The Parties agree that the Charter School retains primary responsibility for compliance with state law and regulation.
- 4.1.13 The Charter School is solely responsible for all debt it incurs, and the Authority shall not be contractually bound on the Charter School's account to any third

party. A statement to this effect shall be a provision of any and all contracts entered into by the Charter School.

4.2 Budget

4.2.1 In accordance with law and regulation and as identified in the Reporting Requirements Manual, the Charter School shall submit to the Department and the Authority the school's tentative budget for the upcoming fiscal year and the Charter School shall submit to the Department and the Authority the school's final budget for the upcoming fiscal year. The budget shall:

- 4.2.1.1 Be presented on forms prescribed by the Nevada Department of Taxation; and
- 4.2.1.2 Not provide for expenditures, inter-fund transfers, or reserves in excess of available revenues plus beginning fund balances.

4.3 Charter School Funding

4.3.1 Charter School shall receive, directly from the Department, state and local aid in an amount equal to its weighted count of enrollment multiplied by the per pupil Distributive School Account amount for the county of residence of each student plus the per pupil Outside Revenue amount for that county. The count of pupils for calculating the basic support for distribution to a charter school is the weighted count of enrollment of pupils on the last day of the first school month of the school district in which the charter school is located for the school year ("Count Day"). The first school month is the thirty day period beginning on the first day of a school year, so long as that thirty day period includes at least twenty school days.

4.3.2 The Charter School shall maintain and transmit all necessary student information in the format prescribed by the Department to evidence enrollment and attendance of students for purposes of receiving state aid. The Charter School will receive state payment from the Distributive School Account directly from the Department, based on the number of pupils enrolled on Count Day.

4.3.3 The Charter School shall receive state aid payments quarterly unless the quarterly payments exceed \$500,000 at which time the Department will pay state aid in monthly installments directly to the Charter School.

4.3.4 All state aid payments to the Charter School are subject to correction pending the outcome of the Department's annual Pupil Enrollment and Attendance Audit.

4.4 Authority Funding

4.4.1 The yearly sponsorship fee to be paid by the Charter School to the Authority must be in an amount of money not to exceed two (2) percent but at least one (1) percent of the total amount of money apportioned to the Charter School during the school year pursuant to NRS 387.124. (NRS 386.570)

4.4.2 The Authority shall notify the Charter School in February of the fee anticipated

to be charged pursuant to NRS 386.570 in the following fiscal year.

Part 5: Insurance and Legal Liabilities

5.1 **Insurance**

5.1.1 The Charter School shall provide and maintain, at its sole expense without reimbursement, adequate insurance, pursuant to NAC 386.215, necessary for the operation of the school, including but not limited to, property insurance, general liability insurance, workers' compensation insurance, unemployment compensation insurance, motor vehicle insurance, and errors and omissions insurance covering the Charter School and its employees. Should the State legislature or State Board of Education change the amount and/or type of insurance coverage required, the Charter School shall take necessary steps to ensure compliance with the law or regulation within thirty (30) days of receiving notice by the Authority of such change. The Authority shall be named as additional insured under all insurance policies identified under NAC 386.215.

5.2 **Liability**

5.2.1 As required by NRS 386.550, the Charter School agrees that the Authority is not liable for the acts or omissions of the Charter School, its officers, agents, or employees. The Charter School agrees to defend, indemnify, and hold the Authority, its agents and employees, harmless from all liability, claims and demands on account of contract, injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with the Charter School's operations.

5.2.2 If the Charter School files a voluntary petition for bankruptcy or is declared bankrupt during a school year, neither the State of Nevada nor the Authority may be held liable for any claims resulting from the bankruptcy pursuant to NRS 386.575.

Part 6: Transparency and Accountability

6.1 **Charter School Reporting**

6.1.1 The Authority shall provide the Charter School with a Reporting Requirements Manual on or before the commencement of the contract year and updated at least annually. The Authority shall endeavor to make the Reporting Requirements Manual as complete as possible. The Charter School shall be responsible for submitting timely and complete reports in accordance with the Reporting Requirements Manual.

6.1.2 The Authority shall provide the Charter School with an Operations Manual on or before the commencement of the contract year and updated at least annually.

6.2 **Additional Reporting**

6.2.1 The Charter School shall be responsible for additional reporting as required for compliance with state law and regulation, federal requirements, and other applicable external reporting requirements.

6.3 Authority Reporting

6.3.1 The Authority shall produce and make available reports to the Charter School in a manner consistent with the Reporting Requirements Manual.

Part 7: Oversight

7.1 Authority

7.1.1 Pursuant to NRS 386.509, the Authority shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to confirm that the Charter School is and remains in material compliance with this Charter Contract, the Charter Application, and applicable law and regulation. The Authority's oversight of the Charter School shall include, but not be limited to, the following activities:

7.1.1.1 Oversight, intervention, termination, renewal, and closure processes and procedures for the Charter School;

7.1.1.2 Reviewing the performance and compliance of the Charter School within the terms of this Charter Contract and applicable laws, policies and regulations;

7.1.1.3 Ensuring the Charter School's compliance with reporting requirements;

7.1.1.4 Monitoring the educational, legal, fiscal, and organizational condition of the Charter School; and

7.1.1.5 Providing guidance to the Charter School on compliance and other operational matters.

7.2 Inspection

7.2.1 All records established and maintained in accordance with the provisions of this Charter Contract, applicable policies and/or regulations, and federal and state law shall be open to inspection by the Authority and other applicable agencies, entities, or individuals within a reasonable period of time after request is made.

7.3 Site Visits

7.3.1 The Authority shall visit the Charter School at least once as a component of the Mid-Term evaluation as defined in the Charter School Performance Framework. Authority may, at its discretion, conduct formal, targeted school visits. Such site visits may include any activities reasonably related to fulfillment of its oversight responsibilities including, but not limited to, inspection of the facilities; inspection of records maintained by the Charter School; and interviews of school and other stakeholders.

7.4 Notification

7.4.1 The Charter School shall notify the Authority immediately of any conditions

that it knows are likely to cause it to violate the terms of this Charter Contract or the Charter Application. Such notification shall not be construed as relief from the Charter School's responsibility to correct such conditions.

- 7.4.2 The Charter School shall notify the Authority immediately of any circumstances requiring the closure of the Charter School, including but not limited to natural disaster, other extraordinary emergency, or destruction of or damage to the school facility.
- 7.4.3 The Charter School shall immediately notify the Authority of the arrest or charge of any members of the Charter Board or any Charter School employee for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, any crime or misdemeanor constituting an act against a minor child or student, or of the investigation of a member of the Charter Board or any Charter School employee for child abuse.
- 7.4.4 The Charter School shall notify the Authority immediately of any change to its corporate legal status.
- 7.4.5 The Charter School shall notify the Authority immediately of any default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more.
- 7.4.6 The Charter School shall notify the Authority immediately if at any time the Charter School receives notice or is informed that the Charter School or the Authority are parties to a legal suit.

7.5 Intervention

- 7.5.1 Consistent with any oversight practices set out in the Charter School Performance Framework, the Authority shall follow a progressive system of notification and calls for corrective action on the part of the Charter School.
- 7.5.2 Any complaints or concerns received by the Authority about the Charter School or its operation including but not limited to complaints filed with the Office for Civil Rights, the Nevada Attorney General's Office, and Equal Employment Opportunity Commission, shall be forwarded promptly by the Authority to the Charter School.
- 7.5.3 The Charter School shall promptly forward to the Authority any formal complaints or concerns received by the Charter School filed with or from the Office for Civil Rights, the Nevada Attorney General's Office, Equal Employment Opportunity Commission, and/or formal grievances filed by any party with the Charter Board. Such forwarding of complaints or concerns shall not relieve Charter School of the responsibility of resolving the complaints or concerns.
- 7.5.4 The Charter School shall indemnify the Authority for any costs, attorney fees, and/or financial penalties imposed on the Authority by state and/or federal authorities due to actions or omissions of the Charter School relative to regulatory compliance.

- 7.5.5 To the extent that concerns or complaints received by the Authority about the Charter School may trigger Authority intervention, including termination or non-renewal of the Charter Contract, the Authority may monitor the Charter School's handling of such concerns or complaints. In such cases, the Authority may request and the Charter School shall provide information regarding the Charter School's actions in responding to those concerns or complaints.

Part 8: Termination and Default Termination

8.1 Termination

8.1.1 As provided by law, this Charter Contract may at any time be terminated by the Authority before its expiration upon determination and majority vote of the Authority that the Charter School, its officers or its employees:

- 8.1.1.1 Committed a material breach of the terms and conditions of the Charter Contract;
- 8.1.1.2 Failed to comply with generally accepted standards of fiscal management;
- 8.1.1.3 Failed to comply with the provisions of NRS 386.490 to 386.610, inclusive, or any other statute or regulation applicable to charter schools; or
- 8.1.1.4 Persistently underperformed, as measured by the performance indicators, measures and metrics set forth in the Charter School Performance Framework for the Charter School.

8.1.2 The Charter Contract may be terminated by the Authority if the Charter School has filed for a voluntary petition of bankruptcy, is adjudicated bankrupt or insolvent, or is otherwise financially impaired such that the Charter School cannot continue to operate.

8.1.3 The Charter Contract may be terminated by the Authority if the Authority determines that termination is necessary to protect the health and safety of the pupils who are enrolled in the Charter School or persons who are employed by the Charter School from jeopardy, or to prevent damage to or loss of property of the school district or the community in which the Charter School is located.

8.1.4 In any instance of termination, the Authority shall provide to the Charter School written notice of termination, which notice shall include its findings and reasons for such action, and adhere to the process outlined in NRS 386.535.

8.2 Default Termination

8.2.1 The Authority shall terminate the Charter Contract if the school receives three consecutive annual ratings established as the lowest rating possible indicating underperformance of a public school, as determined by the Department pursuant to the statewide system of accountability for public schools. The Charter School's annual rating for any school year before the 2013-2014 school year must not be included in the count of consecutive annual ratings.

8.3 **Other Remedies**

- 8.3.1 The Authority may impose other appropriate remedies for breach including, but not limited to, a required corrective action plan.

Part 9: Closure

9.1 **Closure**

- 9.1.1 In the event that the Charter School is required to cease operation for any reason, including but not limited to non-renewal, termination, or voluntary surrender of the Charter Contract, the Charter School shall cooperate fully with the Authority to ensure the orderly closure of the Charter School in a manner consistent with state law and regulation (NRS 386.536), including, but not limited to:

- 9.1.1.1 Securing student records; assisting students with their enrollment in other schools; financial responsibilities and preserving financial records.

Part 10: Dispute Resolution

10.1 **Dispute Resolution**

- 10.1.1 Parties agree to implement the following dispute resolution plan in good faith:

For purposes of this section, a “dispute” is a disagreement over a non-material matter concerning the operation of the charter school. In the event a dispute arises between the Charter School and the Authority or its staff, the charter school shall submit, in writing, a statement outlining its complaint and proposed resolution to the Director of the Authority or his/her designee for review. The Director will respond to the complaint and proposed resolution, in writing, within thirty (30) calendar days outlining whether or not he/she agrees with the complaint and whether he/she accepts the proposed resolution or offers an alternative resolution to the complaint. If the charter school is not satisfied with the response from the Director, it may request, in writing, a review by the President of the Authority. The President of the Authority will respond, in writing, within fifteen (15) calendar days stating whether or not he/she agrees with the complaint and if so, whether he/she agrees with the proposed resolution, or proposing an alternative resolution to the charter school. In the event these representatives are unable to resolve the dispute informally, pursuant to this procedure, the complaint and proposed resolution will be submitted to the Authority at the next available meeting for its consideration. The Authority will decide whether or not it agrees with the complaint or any proposed resolution. Any decision by the Authority is final.

Part 11: School Performance Standards and Review

11.1 **Performance Standards**

11.1.1 The Charter School Performance Framework is composed of indicators, measures, metrics, targets, and ratings to measure the academic, financial, organizational and mission specific, if applicable, performance of the Charter School. Pursuant to NRS 386.527, the performance framework is incorporated into this Charter Contract as set forth in the Charter School Performance Framework in Exhibit #1.

11.1.1.1 The Authority may, upon request for a material amendment from the Charter Board, include additional rigorous, valid and reliable performance indicators that are specific to the Mission of the Charter School and complementary to the existing measures.

11.1.1.2 The Charter School Performance Framework shall supersede and replace any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the approved Charter Application and not explicitly incorporated into the Charter School Performance Framework. The specific terms, form and requirements of the Charter School Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authority and will be binding on the Charter School.

11.1.2 According to the Charter School Performance Framework, the Charter School shall annually:

11.1.2.1 Meet or exceed standards on the academic indicators;

11.1.2.2 Demonstrate financial sustainability through meeting standards on the financial indicators;

11.1.2.3 Operate in compliance with the terms and conditions of this Charter Contract; and

11.1.2.4 If applicable, demonstrate sound performance on mission specific indicators.

11.2 **Review**

11.2.1 The Authority shall monitor and periodically report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the Charter School Performance Framework. Such reporting shall take place at least annually.

11.2.2 The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the Charter School Performance Framework shall provide the basis upon which the Authority will decide whether to renew the Charter Contract at the end of the term.

11.2.3 The Parties intend that, where this Charter Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of

the Charter School Performance Framework may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the Authority will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Charter School Performance Framework as initially established in the Charter Contract.

Part 12: Contract Construction

12.1 **Entire Charter Contract**

12.1.1 The Parties intend this Charter Contract, including all exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Charter Contract. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Charter Contract may be approved from time to time hereafter.

12.2 **Authority**

12.2.1 The individual officers, agents and employees of the Parties do hereby individually represent and warrant that they have full power and lawful authority to execute this Charter Contract.

12.3 **Notice**

12.3.1 Any notice required, or permitted, under this Charter Contract shall be in writing and shall be effective upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid to the following:

In the case of State Public Charter School Authority:
Director
1749 N. Stewart St, Suite 40
Carson City, NV 89706

In the case of Charter School:

12.4 **Waiver**

12.4.1 The Parties agree that no assent, express or implied, to any breach by either of

them of any one or more of the covenants and agreements expressed herein shall be deemed or taken to constitute a waiver of any succeeding or other breach.

12.5 Non-Assignment

12.5.1 Neither party to this Charter Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Charter Contract unless the other party agrees in writing to any such assignment.

12.6 Applicable Law

12.6.1 This Charter Contract shall be governed by and construed in accordance with the laws of the State of Nevada, including all requirements imposed by regulation and Authority policy, and all applicable federal laws of the United States.

12.6.2 The Parties intend that, where this Charter Contract references federal or state laws, they be bound by any amendments to such laws upon the effective date of such amendments.

12.7 Material Amendments

12.7.1 Material amendments require Authority approval. Pursuant to NRS 386.527(6) any material amendment to this Charter Contract will be effective only if approved in writing by the Authority. The proposed amendment must be submitted in a manner consistent with applicable law and regulation and defined in the Operations Manual. A material amendment shall not become effective and the Charter School shall not take action or implement the change requested in the amendment until the amendment is approved, in writing, by the Authority. Changes in operation that are considered material and require the Charter School to obtain an amendment to this Charter Contract include, but are not limited to, the following:

- 12.7.1.1 Change in the Charter School's Pre-Opening Requirements;
- 12.7.1.2 Change in the Charter School's location (change of site and/or adding or deleting sites);
- 12.7.1.3 Changes to the Bylaws and/or Articles of Incorporation;
- 12.7.1.4 Changes to the Mission Statement;
- 12.7.1.5 Elimination of grade level/Expansion to serve grade levels/Increase or Decrease in total enrollment;
- 12.7.1.6 Changes to the name of the Charter School;
- 12.7.1.7 Proposal to enter into a contract with an Educational Management Organization or termination of a contract with and Educational Management Organization;
- 12.7.1.8 Changes to the Mission Specific indicators; and
- 12.7.1.9 Changes to the curriculum that are of such a nature to cause the curriculum within the Charter Application to cease to be in operation.

12.8 Non-Material Change - Notification Required

12.8.1 Changes to this Charter Contract listed below do not require amendment as described in NRS 386.527(6); rather, such changes shall be accomplished through written notification. Changes requiring notification include, but are not limited to:

12.8.1.1 Mailing address, phone and fax number of the Charter School;

12.8.1.2 Changes in the lead administrator of the Charter School; and

12.8.1.3 Changes in the composition of the Charter Board.

12.9 **Other Changes – Determination as Material or Non-Material, Requiring Notification or Not.**

12.9.1 The Charter School may, from time to time, contemplate a change to the Charter School that is not identified within this Charter Contract as a Material Amendment or as a Non-Material Change that requires notification. In such an event, the Charter School is obligated to request, in writing, the determination of the Authority as to whether or not such a change requires a Material Amendment (12.7) or Notification (12.8).

12.10 **Severability**

12.10.1 The provisions of this Charter Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Charter Contract shall remain in effect unless otherwise terminated by one or both of the Parties.

12.11 **Third Parties**

12.11.1 This Charter Contract shall not create any rights in any third parties who have not entered into this Charter Contract; nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Charter Contract.

12.12 **Counterparts; Signatures**

12.12.1 The Charter Contract may be signed in counterparts, which shall together constitute the original Charter Contract. Signatures received by facsimile or email by either of the Parties shall have the same effect as original signatures.

12.13 **Material Breach**

12.13.1 A material breach is defined as a violation of this Charter Contract which is substantial and significant as determined by the Authority.

Signature Page

IN WITNESS WHEREOF, the Parties have executed this Charter Contract to be effective [DATE].

President, Charter Board

Please print your name: _____

Date: _____

Chair, State Public Charter School Authority

Please print your name: _____

Date: _____

EXHIBIT #1

Charter School Performance Framework

DRAFT

EXHIBIT #2

Articles and Bylaws

DRAFT

EXHIBIT #3

Charter Application

DRAFT

EXHIBIT #4

Pre-Opening Requirements

DRAFT