

# Lumen High School

## Contract and Enrollment Policy

CHARTER SCHOOL CONTRACT

between

SPOKANE PUBLIC SCHOOLS  
and  
LUMEN PUBLIC SCHOOL

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This Charter School Contract (“Contract”) is executed on this 28<sup>th</sup> day of August, 2019 by and between Spokane School District No. 81, a Washington state municipal corporation (the “Authorizer” or the “District”), and Lumen Public School, a Washington state nonprofit corporation (the “School”) (collectively, the “Parties”) to establish and operate the Lumen High School (also, the “School”), an independent and autonomous public school under the Washington Charter Schools Act, Chapter 28A.710 RCW.

## RECITALS

WHEREAS, pursuant to Initiative Measure No. 1240, codified at Chapter 28A.710 RCW, the people of the state of Washington provided for the establishment of public charter schools;

WHEREAS, the Authorizer received an application for consideration of a charter school referred to as the Lumen High School;

WHEREAS, on June 26, 2019, the Authorizer approved the application;

WHEREAS, on August 21, 2019, the State Board of Education certified that approval of the application is in compliance with the maximum limit on the number of charter schools allowed under RCW 28A.710.150;

NOW THEREFORE, in consideration of the mutual promises and other consideration recited in this Contract, the Parties agree as follows:

## AGREEMENT

### 1. PURPOSE

As authorized by Chapter 28A.710 RCW, this Contract outlines the roles, powers, responsibilities, and performance expectations governing the establishment and operation of the School. The School must comply with all of the terms and provisions of this Charter School Contract (Contract) and all applicable rules, regulations, and laws.

### 2. MISSION

The mission of the School is as follows: To provide a top-tier education option in conjunction with a high-quality on-site early learning center to pregnant and parenting teens in the City of Spokane.

### 3. TERM OF CONTRACT

A. Effective Date. The Contract term is effective August 31, 2020, which shall be deemed to be the School’s first day of operation pursuant to RCW 28A.710.160(5), and will terminate on August 30, 2025 (allowing for a term of five operating years as set forth in 28A.710.160(5)) unless earlier terminated as provided herein.

Funding under the Contract shall not commence until the Pre-Opening Conditions described in **Appendix A** have been completed to the satisfaction of the Authorizer and the School begins to operate.

- B. Pre-Opening Conditions. The School shall meet all of the Pre-Opening Conditions described in **Appendix A** by the dates identified therein. Failure to timely fulfill any material term of the Pre-Opening Conditions shall be considered a material and substantial violation of this Contract and may be grounds for Authorizer intervention, termination, or revocation of the Contract pursuant to the terms of the Contract and provisions of the law. The Authorizer may, in writing, waive or modify the Pre-Opening Conditions or may grant the School an additional planning year upon good cause shown. The School may delay its opening for one school year, but only if the School provides the Authorizer with notice of the delayed opening at least ninety (90) business days prior to the scheduled opening. If the School requires a delay of more than one year, it must request an extension from the Authorizer in writing at least ninety (90) business days prior to the scheduled opening. Failure to provide timely notice shall be considered a material and substantial violation of this Contract and shall be grounds for Authorizer termination or revocation.

#### 4. GOVERNANCE

- A. Charter Board. The School shall be governed by a Charter Board in a manner that is consistent with the terms of this Contract so long as such provisions are in accordance with state, federal, and local law. The Charter Board shall have final authority and responsibility for the academic, financial, personnel, educational and organizational performance of the School, the fulfillment of the School's mission, and approval of the School's budgets. The Charter Board shall also have authority for and be responsible for policy and operational decisions of the School, although nothing herein shall prevent the Charter Board from delegating decision-making authority for policy and operational decisions to officers, employees and agents of the School. However, such delegation will not relieve the Charter Board of its obligations under the law or this Contract, should the School fail to satisfy those obligations.

The Charter Board shall govern the school in a manner that ensures that it will satisfy its legal obligations, including, but not limited to: compliance with all applicable laws, the Contract, and fidelity to the program and policies described and submitted in the Application. This includes the exercise of continuing oversight over the School's operations.

- B. Bylaws. The articles of incorporation and bylaws of the School shall provide for governance of the operation of the School as a charter public school and shall at all times be consistent with all applicable law and this Contract. The articles of incorporation and bylaws are attached to this Contract as **Appendix B** (initially or as amended, the "Articles and Bylaws"). The School shall seek input from the Authorizer regarding modifications of the Articles and Bylaws no less than five (5) business days prior to approval by the Charter Board. The School shall also send notice of any modifications of the Articles and Bylaws to the Authorizer within ten (10)

business days after approval by the Charter Board.

- C. Non-Profit Status. The School shall be operated by a stand-alone public benefit non-profit corporation as defined under Washington at all times throughout the term of this contract.
- D. Organizational Structure and Plan. The School shall implement and follow the organizational plan described in the Application.
- E. Composition and Disclosures. The composition of the Charter Board shall at all times be determined by and consistent with the Articles and Bylaws and all applicable law and policy. The roster of the Charter Board and each member's disclosure form are attached to this Contract as **Appendix C** (initially or as amended, the "Board Roster and Disclosures"). The School shall notify the Authorizer of any potential changes to the Board Roster and Disclosures prior to their approval. The School will submit Board Roster and Disclosures to the Authorizer within ten (10) business days of the School approval. Each member of the Charter Board must also file a personal financial affairs statement with the Public Disclosure Commission annually, between January 1st and April 15th and/or within two weeks of becoming a member of the board. Charter Board members must comply with applicable laws and policies governing conflicts of interest and ethical obligations to determine whether the financial disclosures reveal a conflict of interest or ethical violation.
- F. Affiliation. Notwithstanding any provision to the contrary in the Charter Contract, Application, or the Articles and Bylaws, in no event shall the Charter Board, at any time, be composed of voting members of whom a majority are directors, officers, employees, agents or otherwise affiliated with any single entity (with the exception of the School itself or of another charter school), regardless of whether said entity is affiliated or otherwise partnered with the School. For the purposes of this paragraph, "single entity" shall mean any individual entity, as well as any and all related entities to such entity such as parents, subsidiaries, affiliates and partners. The Authorizer may, at its sole discretion, waive this restriction upon a written request from the School.

As used in this provision of the Charter Contract, an individual is affiliated with a single entity if the individual is associated with, a member of, or has otherwise publicly linked himself/herself with the entity.

- G. Conflicts of Interest. The Charter Board adopted Conflicts of Interest Policy is attached to this Contract as **Appendix D** and shall at all times comply with its provisions. Any amendment to **Appendix D** must be adopted by the Charter Board and approved in writing by the Authorizer, approval of which shall not be unreasonably withheld and may be made without material amendment to this Contract.
- H. Non-Commingling. Assets, funds, liabilities and financial records of the 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 Authorizer. Additionally, public funds and assets received by the School shall be tracked and accounted for separately,



including maintenance of an inventory of assets purchased with public funds.

- I. Ethics. The Charter Board, along with all other identified school representatives, will adhere to the following ethical standards:
  - a. No Board member, School administrator, or other School employee/representative authorized to enter contracts on behalf of the School may be beneficially interested, directly or indirectly, in a contract, sale, lease, purchase, or grant that may be made by, through, or is under the supervision of the Board member or School administrator, in whole or in part, or accept, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in the contract, sale, lease, purchase, or grant.
  - b. No Board member or School administrator may use his or her position to secure special privileges or exemptions for himself, herself, or others.
  - c. No Board member or School administrator may give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the School, for a matter connected with or related to the Board member's or School administrator's services unless otherwise provided for by law.
  - d. No Board member or School administrator may accept employment or engage in business or professional activity that the Board member or School administrator might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.
  - e. No Board member or School administrator may disclose confidential information gained by reason of the Board member's or School administrator's position, nor may the Board member or School administrator otherwise use such information for his or her personal gain or benefit.
  - f. Terms in this provision will be defined in accordance with the definitions set out in RCW 42.52.010. The Advisory Opinions of the Executive Ethics Board shall provide non-binding guidance for the parties' interpretation of this provision.
- J. Public Records. The Charter Board shall comply with the provisions of the Public Records Act, Chapter 42.56 RCW and is responsible for ensuring that School employees, subcontractors, staff, and volunteers comply with the act and any associated Charter Board policies. Violations of the Public Records Act may be considered material and substantial violations of the Contract. This provision survives the term of the contract as long as the Charter Board and School have in their possession the public records generated during the operation of the School. The provision shall remain in effect until the complete and successful transfer of the records to the appropriate public successor entities.
- K. Record Keeping. The School will comply with all federal, state, and Authorizer record keeping requirements including those pertaining to students, governance, and finance. At a minimum, student records must include records concerning attendance, grades, meal status, special education, bilingual information, student programs, state assessments, emergency contact, student health information, and certificate of immunization or exemption. These records shall be maintained in accordance with governing document retention periods set out by the Secretary of State. This provision survives the term of the contract as long as the School has in its possession the public

records generated during the operation of the School. The provision shall remain in effect until the complete and successful transfer of the records to the appropriate public successor entities.

- L. Assets. The School shall maintain a complete and current inventory of all School assets and property. The School shall update the inventory annually and shall take reasonable precautions to safeguard assets acquired with public funds. If the Contract is revoked, terminated, non-renewed or surrendered, or the School otherwise ceases to operate, any assets acquired in whole or in part with public funds shall be deemed to be public assets. Public funds include, but are not limited to, funds received by the School under chapter 28A.710 RCW, as well as any state or federal grant funds. Any assets acquired wholly with private funds shall be disposed of consistent with Washington non-profit law, provided that the School must maintain records demonstrating that such assets have been acquired without the use of public funds. If the 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.
- M. Open Meetings. The Charter Board shall maintain governing board-adopted policies, meeting agendas and minutes; shall make such documents available for public inspection; and shall otherwise conduct open meetings consistent with Chapter 42.30 RCW, the Open Public Meetings Act. Failure to comply with the Open Public Meetings Act may be considered a material and substantial violation of the Contract.

## 5. CONTRACTING FOR SERVICES

- A. Services Agreements and Partnerships. Except as provided in Section 5.B below, nothing in this Contract shall be interpreted to prevent the School from entering into contracts or other agreements with a school district, educational service district, or other public or private entity for the provision of real property, equipment, goods, supplies, and/or services related to the operation of the School consistent with the law and the terms of this Contract. The terms of such contracts for services shall be negotiated between the School and the other entity. Such contracts shall, at all times, be subject to the requirements of this Contract and will not relieve the School of its responsibilities under this Contract. This provision is subject to the limitations set out in the remainder of this Section of the Contract.
- B. Third-Party Education Service Provider.
  - 1. Substantial Educational Services or Management Contract. The School shall not, without written approval of the Authorizer, contract with a third party (including but not limited to a for-profit or non-profit education service provider) to provide substantial educational services, management services or both on behalf of the School. "Substantial" for purposes of this section is defined as the assumption of responsibility for all or most of the educational, governance, or managerial components of the School's operations. If the School intends to enter into such a contract, it shall, no later than ninety (90) days prior to the effective date, enter into a legally binding and enforceable agreement with the Education Service Provider named in the Application, subject to the approval of the Authorizer and

the requirements set forth in this Contract. **Appendix E** contains Education Service Provider Agreement Guidelines that the School must observe.

2. Substantial Educational Services or Management Contract Terms. The Substantial Educational Services or Management Contract shall set forth with particularity inter alia, (i) the contingent obligations and responsibilities of each party in the event that such Contract must be modified in order to obtain or maintain the School's status under state and federal law, and (ii) the extent of the Education Service Provider's participation in the organization, operation and governance of the School.
3. Review by Authorizer. No later than sixty (60) days prior to entering into the Substantial Educational Services or Management Contract, the School shall provide a copy of the Substantial Educational Services or Management Contract in proposed final form to the Authorizer. The Authorizer shall review the Substantial Educational Services or Management Contract and determine whether it meets approval of the Authorizer. Approval will be contingent on satisfaction of the terms of RCW 28A.710.130(4) and evidence that the Substantial Educational Services or Management Contract will not detrimentally impact the School's viability, or violate the terms of this Contract or the law.
4. Representation by Attorney. The School shall be represented by an attorney during the negotiation of the proposed Substantial Educational Services or Management Contract. Upon submission for review by the Authorizer the Substantial Educational Services or Management Contract shall be accompanied by a letter from a licensed attorney representing the School stating that the Substantial Educational Services or Management Contract meets the requirements of Washington state law, is consistent with this Contract, and otherwise meets the attorney's approval. Such attorney may not represent or be retained by the Management Provider.
5. Approval and Execution. The Substantial Educational Services or Management Contract shall not be executed until the School is notified in writing by the Authorizer that the Substantial Educational Services or Management Contract meets its approval. The School shall not enter into any contract for comprehensive school management services to be performed in substantial part by any other entity not identified as such in the Application without receiving prior written approval from the Authorizer.
6. The School will remain ultimately responsible and accountable for its legal and contractual obligations; a Substantial Educational Services or Management Contract will not relieve the School of those obligations.

## 6. EDUCATIONAL PROGRAM

- A. Design Elements. The School shall implement, deliver, support and maintain the design elements of its educational program, as set forth in **Appendix F**. Material revisions and/or amendments to the essential design elements and education program terms shall

require the Authorizer's written pre-approval. Failure to implement, deliver, support and maintain the essential design elements of the School's educational program is a material and substantial breach of the Contract.

- B. Content Standards. The School is subject to the supervision of the Office of the Superintendent of Public Instruction and the State Board of Education. The School's educational program shall meet or exceed all standards set forth by Washington law, including, but not limited to:
- i. Standards set forth by Chapter 28A.710 RCW and Chapter 180-19 WAC, as now existing and as hereafter amended;
  - ii. Basic education, as defined by, and in accordance with, RCW 28A.150.200, .210 and .220, as now existing and as hereafter amended, including instruction in the essential academic learning requirements, and participation in the statewide student assessment system as developed under RCW 28A.655.070, as now existing and as hereafter amended;
  - iii. Instruction in the essential academic learning requirements and all minimum instructional program requirements for basic education standards set forth by RCW 28A.150.220;
  - iv. Participation in, and performance of, statewide student assessments;
  - v. Performance improvement goals and associated requirements;
  - vi. Accountability measures;
  - vii. State graduation requirements;
  - viii. Academic standards applicable to non-charter public schools;
  - ix. Standards and requirements contained in the Performance Framework as set forth in **Appendix G** (which is incorporated as if fully set forth herein); and
  - x. Other state and federal accountability requirements imposed by law, regulation, policy or this Contract.
- C. Curriculum Development Plan. The School shall implement the curricula described in the Application as set forth in **Appendix H** (which is incorporated as if fully set forth herein), supplemented with such other curricula, which may be helpful to the School's academic progress to the extent that such curricula meet or exceed Washington state standards and standards of the Authorizer. The School may, without seeking Authorizer approval, make reasonable modifications to its approved curriculum to permit the School to meet its educational goals and student achievement standards. Any modifications, either individually or cumulatively, that are of such a nature or degree as to substantially alter the approved curriculum will require approval from the Authorizer and an amendment to this Contract.

D. Graduation Requirements for High Schools. The School's curriculum shall meet or exceed all applicable graduation requirements as established by the Washington State Board of Education and the Authorizer.

E. Staff Qualifications. Instructional staff, employees, and volunteers shall possess all applicable qualifications as required by state or federal law. Instructional staff shall maintain active certification in accordance with chapter 28A.410 RCW, unless the instructional staff meets the requirements of RCW 28A.150.203(7).

Instructional staff must also adhere to the code of professional conduct, ethical standards governing educator conduct, and associated laws and regulations. Certificated and licensed staff shall also be held accountable in accordance with the provisions of Title 28A RCW as well as any applicable state or federal laws. If the Charter Board or School administrator(s) have reason to believe that an employee with a certificate or permit authorized under chapter 28A.410 RCW or chapter 28A.405 RCW, has engaged in unprofessional conduct (Chapter 181-87 WAC) or lacks good moral character (Chapter 181-86 WAC) a complaint must be submitted to the Education Service District within which the school operates stating the basis for the belief and requesting submission of the complaint to OSPI. A copy of the School's complaint must simultaneously be sent to the Authorizer and OSPI's Office of Professional Practices. Certificated and licensed staff shall also be held accountable in accordance with the provisions of Title 28A RCW as well as any applicable state or federal laws.

F. Staff Training. The School shall provide employees and staff with any training required by state and federal law as well as any additional training that is an essential design element of the educational program as required in Appendix F.

G. Student Assessment. The School shall participate in and properly administer the academic assessments required by the Washington State Board of Education, the Office of Superintendent of Public Instruction, applicable law, as well as those assessments that are an essential design element of the educational program as required in Appendix F. The School shall comply with all assessment protocols and requirements as established by the Washington State Board of Education and Office of Superintendent of Public Instruction, maintain test security, and administer the tests consistent with all relevant state and Authorizer requirements. The School shall follow professional and ethical standards and OSPI's administration and security requirements in the conduct of testing.

H. English Language Learners. The School shall at all times comply with all state and federal law applicable to the education of English language learners, including but not limited to the Every Student Succeeds Act (ESSA), Title VI of the Civil Rights Act of 1964, the Equal Educational Opportunities Act of 1974 (EEOA), RCW 28A.150.220, RCW 28A.180.010 to 28A.180.080, and any other state laws or regulations. The 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 School shall employ and train teachers to provide appropriate services to English language learners. In consultation with the Authorizer and subject to Authorizer approval, the School shall establish and follow policies and procedures for identifying, assessing and exiting English language learners, consistent with all applicable state and federal law. The School must implement, deliver, support,

and maintain an education program that provides all the legally required education and services to English language learners.

- I. Students with Disabilities. The School shall provide services and accommodations to students with disabilities as set forth in the 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 attending students with disabilities in accordance with the individualized education program (“IEP”) recommended by a student’s IEP team. The School shall also comply with all applicable federal and State laws, rules, policies, procedures and directives regarding the education of students with disabilities including, but not limited to, Chapter 28A.155 RCW and Chapter 392-172A WAC.
- J. Student Conduct and Discipline. The School’s discipline policy must satisfy constitutional due process requirements. The School shall comply with all applicable laws and regulations of the state, county, and city relating to student discipline including, but not limited to, RCW 28A.150.300, and chapter 28A.600 RCW.

## 7. SCHOOL PERFORMANCE STANDARDS

The Authorizer shall provide a Performance Framework consistent with RCW 28A.710.170 and as set forth in **Appendix G** (which is incorporated as if fully set forth herein). The 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 Application and not explicitly incorporated into the terms of this Contract. The specific terms, criteria, form and requirements of the Performance Framework, including any required indicators, measures, metrics, and targets, are determined by the Authorizer and will be binding on the School.

## 8. PERFORMANCE TARGETS, MONITORING, AND REPORTING

- A. Annual Targets. The School shall annually meet standards or exceed standards for each criterion listed in the Performance Framework as set forth in **Appendix G**.
- B. Monitor and Reporting. The School shall be required to provide by November 30, after each year of operation, documentation necessary for the Authorizer to monitor and report on the School’s progress in relation to the indicators, measures, metrics and targets set out in the Performance Framework. The School and Authorizer shall meet and review annually to determine the required documentation, and said documentation shall be listed in **Appendix K**. The School agrees to make all documentation, records, staff, employees, or contractors promptly available to the Authorizer upon request. Failure to provide reports, data, documentation, or evidence as specified in this Contract is a material violation of the Contract.

The Authorizer shall monitor and report to the School on the School’s progress at least

annually and prior to July 31st after each year of operation. Such reporting shall take place in the format specified by the Authorizer. The Authorizer may conduct or require additional oversight activities including, but not limited to, inquiries and investigations consistent with Chapter 28A.710 RCW, regulations, and the terms of this Contract.

- C. Performance. The School's performance in relation to the indicators, measures, metrics and targets set forth in Performance Framework and the School specific performance measures set out in this Contract shall provide a basis, in part or in whole, upon which the Authorizer may base decisions to renew, revoke, terminate or take other action on the Contract.
- D. Modifications or Amendments to Law. The Parties intend that, where this Contract references or is contingent upon state or federal 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 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 occur, the Authorizer will make a reasonable effort to apply expectations for School performance in a manner consistent with those set forth in the Performance Framework as initially established in the Contract. The School will be required to comply with any amendments of the Performance Framework.

## 9. SCHOOL OPERATIONS

- A. In General. The School and the Charter Board shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and Authorizer policies applicable to charter schools, as the same may be amended from time to time.
- B. Public School Status. The School shall be deemed a public school that is open to all children free of charge and by choice and operated separately from the common school system as an alternative to traditional common schools. The School shall be subject to all applicable provisions of local, state and federal law and regulation, including but not limited to health and safety, parents' rights, civil rights, nondiscrimination laws and regulations, code of ethics for municipal officers' laws, public records laws, student assessment, assessment administration, data collection, reporting, grading, and remediation requirements. These requirements include, but are not limited to, those imposed under Chapter 28A.642 RCW (discrimination prohibition); Chapter 28A.640 RCW (sexual equality); the Individuals with Disabilities Education Improvement Act (20 U.S.C. §1401 *et seq.*); the Family Educational Rights and Privacy Act (20 U.S.C. §1232g); the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*); and the Every Student Succeeds Act (20 U.S.C. §6301 *et seq.*).
- C. Nonsectarian Status. The School shall be nonsectarian in its programs, admissions policies, employment practices and all other operations. The School shall not be to any extent under the control or direction of any religious denomination.
- D. Open Meetings and Public Records. The School shall maintain and implement policies

to ensure that it complies with all applicable laws and regulations relating to public meetings and records, including, but not limited to chapter 42.30 RCW and chapter 42.56 RCW.

- E. Non-Discrimination. The School shall not discriminate against any student, employee or any other person on the basis of race, ethnicity, national origin, gender, disability or any other ground that would be unlawful if done by any other public non-charter school. It shall take all steps necessary to ensure that discrimination does not occur, as required by state and federal civil rights and anti-discrimination laws.
  
- F. Authorizer's Right to Review, Manage, Supervise and Enforce. The School will be subject to review of its operations and finances by the Authorizer, including related records, when the Authorizer, in its sole discretion, deems such review necessary. The Authorizer shall provide timely notice to the School when and if it deems a review necessary and, if possible, prior to any such review. The Authorizer will conduct such reviews, oversight, supervision, and enforcement in a manner that is not disruptive to the school day when students are in session. The Authorizer shall manage, supervise, and enforce this Contract. It will oversee the School's performance under this Contract and hold the School accountable to performance of its obligations as required by federal and state laws and regulations, the Performance Framework, as well as the terms of this Contract. This may include, but is not limited to, taking corrective action, development of corrective action plans, imposing sanctions, renewal, revocation, or termination of this Contract. The Authorizer may conduct or require oversight activities that enable the Authorizer to fulfill its responsibilities under Chapter 28A.710 RCW, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of the law, adhere to the terms of this Contract, and do not unduly inhibit the autonomy granted to charter schools.
  
- G. Administrative Records. The School will maintain all administrative records, including student academic records, required by law and Authorizer policies and procedures, to the extent no waivers apply. The School agrees to make all administrative and student records promptly available to the Authorizer upon request. This right shall be in addition to the Authorizer's right to require the School to submit data and other information to aid in the Authorizer's oversight and monitoring of the School as provided under this Contract and governing law.
  
- H. Notice of Encumbrances. The School shall notify the Authorizer of any potential encumbrances by any third party of School assets thirty (30) days prior to such encumbrances and shall notify the Authorizer of any such encumbrances within five (5) business days of effect. The School shall seek input from the Authorizer regarding any potential encumbrances.

The School shall not: 1) pledge, assign or encumber any public funds received or to be received pursuant to RCW 28A.710.220; 2) encumber its assets in a manner that will jeopardize its fiscal viability; 3) pledge the full faith and credit of the Authorizer; 4) encumber other funds that contain a restriction or prohibition on such encumbrance or 5) encumber any funds or assets in violation of law.



- I. Notice of Litigation. The School, through website postings and written notice with receipt acknowledged by signature of the recipient, must advise families of new, ongoing, and prospective students of any ongoing litigation challenging the constitutionality of charter schools or that may require schools to cease operations.
- J. Transactions with Affiliates. The School shall not, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any affiliate of the School, any member past or present of the Charter Board, or any employee past or present of the School (except in their employment capacity), or any family member of the foregoing individuals, unless:
1. The terms of such transaction (considering all the facts and circumstances) are no less favorable to the School than those that could be obtained at the time from a person that is not such an affiliate, member or employee or an individual related thereto;
  2. The involved individual recuses him or herself from all Charter Board discussions, and does not vote on or decide any matters related to such transaction;
  3. The Charter Board discloses any conflicts and operates in accordance with a conflict of interest policy that has been approved by the Authorizer; and
  4. The terms of the transaction do not violate the Code of Ethics for Municipal Officers and the Schools' Code of Ethics and Conflict of Interest Policy.

“Affiliate” as used in this section means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person. Solely for purposes of this definition, owns, is owned and ownership mean ownership of an equity interest, or the equivalent thereof, of ten percent or more, and the term “person” means an individual, partnership, committee, association, corporation or any other organization or group of persons.

- K. Student Welfare and Safety. The School shall comply with all applicable federal and state laws concerning student welfare, safety and health, including but not limited to state laws regarding the reporting of child abuse, accident prevention and disaster response, school safety plans, emergency drills, notification of criminal conduct to law enforcement, and any applicable state and local regulations governing the operation of school facilities.
- L. Health and Safety. The School shall comply with the laws and regulations of the state, county, or city relating to health and safety, including requirements relating to notification of criminal conduct to law enforcement authorities.
- M. Transportation. The School shall be responsible for providing students transportation in accordance with legal obligations and consistent with the plan proposed in the approved Application.

N. Notification to Authorizer.

1. Timely Notification. The School shall timely (within 24 hours) notify the Authorizer (and other appropriate authorities) in the following situations:

- a. The discipline of employees at the School that:
  - i. Results in suspension, termination, or resignation in lieu of discipline;
  - ii. Arises from misconduct or behavior that may have endangered the educational welfare or personal safety of students or others; or
  - iii. is based on serious or repeated violations of law.
- b. Any complaints filed, or action taken, against the School by any governmental agency.

2. Immediate Notification. The School shall immediately notify the Authorizer of any of the following:

- a. Conditions that may cause it to vary from the terms of this Contract, applicable Authorizer requirements, federal, and/or state law;
- b. Non-compliance with the School's legal obligations or Contract provisions;
- c. Any circumstance requiring the closure of the School, including, but not limited to, a natural disaster, such as an earthquake, storm, flood or other weather related event, other extraordinary emergency, or destruction of or damage to the School facility;
- d. Criminal allegations against, or arrest of any members of the Charter Board or School employees for a crime punishable as a felony, crime involving a child, or any crime related to the misappropriation of funds or theft;
- e. Misappropriation of school funds;
- f. A default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more; or
- g. Any change in its corporate status with the Washington Secretary of State's Office or status as a 501(c)(3) entity, if applicable.

O. Compliance. The School shall comply with all applicable federal and state laws, local ordinances, and Authorizer policies.

P. Data and Reports. The School shall timely provide to the Authorizer access to any individual, data, documentation, evidence and/or reports as agreed to in **Appendix G** for the Authorizer to meet its oversight and reporting obligations as outlined in Chapter 28A.710 RCW. Required reports include, but are not limited to, those listed or

referenced herein along with projected due dates for the current school year. Timely notification shall be provided when due dates are changed. Failure to provide reports, data, documentation, or evidence by the date due is a material violation of the Contract. The Authorizer agrees to seek the input of the School prior to disseminating any such reports or data for purposes other than authorization or compliance of applicable state and federal law, including but not limited to Public Records requests, a valid subpoena or any other court orders, etc. Notwithstanding any other provision in this Contract, the Authorizer retains the right to take action that it deems to be required under the Public Records Act.

- Q. Complaints. The School shall establish a process for resolving public complaints, including complaints regarding curriculum, which shall include an opportunity for complainants to be heard. Any final administrative appeal shall be heard by the Charter Board, not the Authorizer.

## 10. SCHOOL CALENDAR

The School shall adopt a School calendar with an instructional program that meets the compulsory school attendance requirements of state law, financial guidelines, and state regulations. Each year the School will develop a calendar and submit it to the Authorizer by May 1st. Any changes to the calendar or that cause the calendar to differ materially from the calendar proposed and approved in the Application are subject to Authorizer approval.

## 11. ENROLLMENT

- A. Enrollment Policy. The School shall make student recruitment, admissions, enrollment and retention decisions in a nondiscriminatory manner and without regard to race, color, creed, national origin, sex, sexual orientation, gender expression or identity, marital status, religion, ancestry, the presence of any sensory, mental, or physical disability or need for special education services. The School may not limit admission on any basis other than age group, grade level, or enrollment capacity. In no event may the School limit admission based on race, ethnicity, national origin, disability, gender, income level, athletic ability, or proficiency in the English language.

If there are more applications to enroll in the School than there are spaces available, the School must grant an enrollment preference to siblings of enrolled students, with any remaining enrollments allocated through a lottery. The School shall comply with applicable law and the enrollment policy incorporated into this Contract as **Appendix I**. The School shall seek input of the Authorizer prior to any revisions.

- B. Maximum Enrollment. The maximum number of students who may be enrolled in the first year of operation of the school shall be sixty (60) students. This maximum enrollment is consistent with facilitating the academic success of students enrolled in the School and facilitating the School's ability to achieve the other objectives specified in the Contract. If the School wishes to enroll more than the maximum number of students listed above, it shall, before exceeding this number, provide evidence satisfactory to the Authorizer that it has the capacity to serve the larger population. The maximum enrollment shall not exceed the capacity of the School facility. Any increase

to the maximum enrollment figure specified in this section will require an amendment to this Contract.

- C. Annual Enrollment Review. The School and Authorizer will conduct an annual review of the School's enrollment capacity. As necessary, the maximum enrollment of the School will be adjusted annually by the School in consultation with the Authorizer and with consideration of the School's ability to facilitate the academic success of its students, achieve the objectives specified in this Contract, and assure that its student enrollment does not exceed the ability of its facility.
- D. Decrease in Enrollment. The School shall immediately report to the Authorizer a decrease in enrollment of 20% or more in any grade level, and/or a decrease in enrollment of 10% or more to the School overall.
- E. Student Transfers and Exits. Any student exiting out of the School shall be documented by an exit form signed by the student's parent or guardian, which affirmatively states that the student's transfer or exit is voluntary. The School shall collect and report to the Authorizer, in a format required or approved by the Authorizer, exit data on all students transferring from or otherwise exiting the School for any reason (other than graduation), voluntary or involuntary. Such exit data shall identify each departing student by name and shall document the date of and reason(s) for each student departure. In the event that the School is unable to document the reasons for a voluntary withdrawal, the School shall notify the Authorizer and provide evidence that it made reasonable efforts to obtain documentation.
- F. Right to Remain. The School shall comply with the McKinney-Vento Act, 42 U.S.C. 11432 *et seq.* Students who enroll in the School shall have the right to remain enrolled in the School through the end of the school year, absent expulsion, graduation, or court-ordered placement. Students who fail to attend the School as required by law may be removed from the School's rolls only after the requisite unexcused absences have been documented and all truancy procedures followed, consistent with state law, the provisions of the McKinney-Vento Act, and Authorizer policy.
- G. Enrollment Reports. The School shall report student enrollment in the same manner, and based on the same definitions of enrolled students and annual average full-time equivalent enrollment, as other public schools. The School shall comply with applicable reporting requirements to receive state or federal funding that is distributed based on student characteristics.
- H. Enrollment Projections. The School shall provide rolling five (5) year enrollment projections to the Authorizer prior to December 1st of each year as identified on **Appendix L**. As stated in Section B above, if the School wishes to enroll more than the maximum number of students, it shall, before exceeding this number, provide evidence satisfactory to the Authorizer that it has the capacity to serve the larger population. Moreover, if the School exceeds 10% of the projected enrollment for any year, the School must notify the Authorizer in writing by December 1<sup>st</sup> for the upcoming school year. Any plan to enroll 10% or more of the projected enrollment will require an amendment to this Contract.

## 12. TUITION AND FEES

The School will not charge tuition. The School shall not charge any additional fees except as allowed by state law, but may charge fees for participation in optional extracurricular events and in the same manner and to the same extent as other public schools.

To the extent allowed by law and subject to the rules adopted by the Washington Interscholastic Athletic Association, School students shall have the right to participate in interschool athletic activities or other interschool extracurricular activities governed by the Washington Interscholastic Athletic Association (WIAA). In the event a School student participates in such activities, the School shall pay the full cost, minus any student participation fee, for any student who participates in such activities.

## 13. SCHOOL FACILITIES

- A. Location. The School shall provide evidence that it has secured a location that is acceptable to the Authorizer. The School may move its locations only after obtaining written approval from the Authorizer, subject to such terms and conditions as may be specified. Any change in the location of the School shall be consistent with the Application and acceptable to the Authorizer. The School shall seek approval from the Authorizer at least thirty (30) days prior to any change in location. Such approval shall not be unreasonably withheld.
- B. Construction/Renovation and Maintenance of Facilities. The School will be responsible for the construction/renovation and maintenance of any facilities owned or leased by it. The School will be responsible for ensuring compliance with all Americans with Disabilities Act accessibility requirements and any other facility requirements contained in applicable law.
- C. Use of the Facility by the School. The School will use the facility for the sole purpose of operating a public school as authorized by this Contract and only those activities ordinarily incidental to the operation of a public K-12 school will be permitted on the School premises unless written permission is provided otherwise by the Authorizer. The School will not conduct, nor will it permit, any activity that would threaten or endanger the health or safety of occupants, the structural integrity of the facility, or the insurability of the facility, or violate state or federal law. The School may not lease, sublet, or otherwise grant to any third party any right to enter or use the premises without the written approval of the Authorizer, provided that the School may permit use of the facility by persons or groups associated with it for functions and activities consistent with the use of a public school building, and in accordance with Authorizer policies regarding facility use or an alternative policy agreed to by the Authorizer. Authorizer approval shall not be unreasonably withheld.
- D. Alterations. The School will not alter or modify facilities owned or operated by the Authorizer without the written approval of the Authorizer, which shall not be unreasonably withheld.

- E. Inspections. The Authorizer will have access at all reasonable times to any facility owned, leased or utilized in any way by the School for purposes of inspection and review of the School's operation and to monitor the School's compliance with the terms of this Contract and applicable law. The Authorizer may make announced or (within reason) unannounced visits to the School to fulfill its oversight responsibilities.
- F. Impracticability of Use. If use by the School of a facility is rendered impracticable by any cause whatsoever, or if the funds necessary to construct/renovate or upgrade a facility cannot be secured, the School shall be responsible for securing an alternative facility and the Authorizer shall not be obligated to provide a facility for use by the School. The School may move into that facility only after obtaining written approval from the Authorizer, subject to such terms and conditions as may be specified.
- G. Use of Authorizer Facilities. The School may not use Authorizer facilities for activities and events without prior written consent from the Authorizer and pursuant to Authorizer policy and procedure regarding use of school facilities.
- H. Accessibility/Health/Safety. The School facilities shall conform with applicable provisions of the Americans with Disabilities Act and any other federal or state requirements applicable to public school facility access. The School facilities shall meet all applicable health, safety, occupancy and fire code requirements and shall be of sufficient size to safely house the anticipated enrollment.

#### **14. FUNDING**

- A. Moneys at End of Budget Year. Any moneys received by the School from any source and remaining in the School's accounts at the end of a budget year must remain in the School's accounts for use by the School during subsequent budget years.

#### **15. SCHOOL FINANCE**

- A. Financial Compliance. The School shall comply with all applicable state financial law and budget rules, regulations, and financial reporting requirements, as well as the requirements contained in the Performance Framework. The School shall also adhere to generally accepted accounting principles and be subject to financial examinations and audits as determined by the state auditor, including annual audits for legal and fiscal compliance.
- B. Governance, Managerial, and Financial Procedures and Controls. At all times, the School shall maintain appropriate governance and managerial procedures and financial controls which procedures and controls shall include, but not be limited to: (1) Generally Accepted Accounting Principles and the capacity to implement them; (2) a checking account; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (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 state and federal law. No payments shall be made to the School unless the School has demonstrated to the Authorizer's satisfaction that it has the appropriate controls in place.

- C. Audits. The School shall comply with all audit obligations imposed by law, but not limited to, audit requirements of the State Auditor's Office, audit requirements for non-profit corporations, and those imposed by the Authorizer. Within the scope of its responsibilities, the State Auditor's Office may conduct the following types of audits: a) Financial; b) Accountability; c) Federal single; d) Special investigation (includes fraud audit); and e) Performance.
1. Financial Audit. The School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and performed by a certified public accountant each fiscal year. The results of the audit will be provided to the Authorizer in written form by the deadlines established by the Authorizer at the beginning of each school year, but in no event later than February 28 of each year. The School will pay for the audit. In addition, the School shall transmit the final trial balance to the Authorizer with the submission of the annual independent financial audit. If such audit is not received by February 28 of each year, it shall be considered a material violation of the terms of this Contract and may be grounds for revocation or other remedy as provided by this Contract.
  2. Performance Audit. The School must contract for an independent performance audit of the School to be conducted: (1) the second year immediately following the School's first full school year of operation; and (2) every three years thereafter. The performance audit must be conducted in accordance with United States general accounting office government auditing standards. This performance audit does not inhibit the state auditor's office from conducting a performance audit of the School.
- D. Monthly Reports. The School shall prepare monthly financial reports for the Authorizer in compliance with Washington state law. Such reports shall be submitted to the Authorizer no later than twenty (20) days following the end of each month. The form for the quarterly reports shall be determined by the Authorizer. Additionally, the final year-end report (F-196) shall be submitted to meet the reporting and timeline requirements prescribed by the Office of the Superintendent of Public Instruction.
- E. Financial Records. The School agrees to maintain financial records in accordance with the governmental accounting method required by the Authorizer and to make such records available promptly to the Authorizer upon request.
- F. Bank Accounts. The school shall, upon request, provide the Authorizer with the name of each financial institution with which it holds an account along with the associated account number. At the election of the Authorizer, the School may be required to obtain documentation from all of the School's bank accounts or to sign a release and

authorization that allows the financial institution to provide documents and information directly to the Authorizer.

- G. Policies. The School shall use and follow all policies and requirements issued by the Washington State Auditor's Office applicable to accounting for public school Authorizers.
- H. Recording of Transactions. The School shall record all financial transactions in general, appropriations, and revenue and expenditures records. In addition, the School shall make appropriate entries from the adopted budgets in the records for the respective funds, and shall maintain separate ledgers accounting for funds by funding source. Accounts must be reconciled on a monthly basis.
- I. Maintenance of Records. The School shall maintain, or cause to be maintained, books, records, documents, and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the Authorizer, the Office of the State Auditor, and federal officials so authorized by law, rule, regulation, or contract. The financial records must be maintained at the School Principal's administrative office, be posted and reconciled at least monthly, and be open for public inspection during reasonable business hours.
- J. Budget Adoption. The Charter Board shall adopt an annual budget statement that describes the major objectives of the educational program and manner in which the budget proposes to fulfill such objectives. The School shall comply with any applicable notice and filing requirements regarding the budget.
- K. Disbursements. The School shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the School's budget.
- L. State Accounting Requirements. The School shall use and follow all policies and requirements issued by the Washington State Auditor's office concerning accounting for public school districts in the state of Washington. The School shall also comply with public school budget and accounting requirements, the Accounting Manual for School Districts and the Administrative Budgeting and Financial Reporting Handbook
- M. Compliance with Finance Requirements. The School shall comply with any other applicable requirements imposed by law or regulation on charter school finances, budgeting, accounting and expenditures. The Parties agree that the School retains responsibility for compliance with all financial, budgeting, accounting, revenue and expenditure requirements imposed by law, regulation or Authorizer policy.

## 16. ANNUAL BUDGETS

On or before July 10<sup>th</sup> of each year, the School will submit to the Authorizer the School's proposed budget in accordance with requirements established by the Office of the Superintendent of Public Instruction. The School shall adopt a final budget and an appropriation resolution not later than August 31<sup>st</sup> of each fiscal year. The budget shall:



1. Include the annual revenue projection (F-203 Report);
2. Include the detailed budget document (F-195 Report);
3. Include unrestricted general fund or cash fund emergency reserves in the amount required under the provisions of Washington law;
4. Not allow for expenditures, inter-fund transfers, or reserves in excess of available revenues and beginning fund balances; and
5. Not allow expenditure of any monies in excess of the amount appropriated by resolution for a particular fund and not have a contingency reserve in excess of 10% of the annual budget.

## **17. SCHOOL AND AUTHORIZER FUNDING**

The School shall receive funding in accordance with the provisions of Chapter 28A.710 RCW and associated rules and procedures.

## **18. EMPLOYMENT MATTERS**

- A. No Employee or Agency Relationship. The School, its employees, agents, and contractors are not employees or agents of the Authorizer. The Authorizer or its employees, agents, or contractors are likewise not employees or agents of the School. None of the provisions of this 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 Contract.
- B. Subcontract. The School shall not subcontract the implementation of the total educational program without the written approval of the Authorizer.
- C. Teacher Membership in Professional Organizations. Teachers at the School have the right to join, or refrain from joining, any lawful organization for their professional or economic improvement and for the advancement of public education. A teacher's membership in or financial support for any organization shall not be required as a condition of employment with the School.
- D. Background Checks. The School will comply with the employee record check requirements in RCW 28A.400.303, and associated rules. The School agrees to obtain and retain copies of fingerprint and background checks for all employees, contractors, volunteers, and Charter Board members who will have regularly scheduled unsupervised access to children or developmentally disabled persons. This shall be an ongoing requirement; background checks will be periodically renewed to determine whether conduct has occurred post-employment. The School shall give notice to the Authorizer of any person it finds who has a prior conviction of a felony, or any crime related to theft or misappropriation of funds, and of any person who is convicted of a

felony during the term of a person's employment or service. The School shall also give notice to the Authorizer of any person who has been convicted of an offense enumerated or referenced in Chapter 28A.410 RCW. Employee rosters and proof of background check clearance shall be provided to the Authorizer as required by law.

In addition to the background check requirements specified above (including but not limited to the requirements for volunteers who have regularly scheduled unsupervised access to children or developmentally disabled persons), each year the School will conduct records check on all volunteers using the Washington Access to Criminal History (WATCH) program before the volunteers are allowed to have any unsupervised access to children at the school, or during school sponsored or affiliated events. A copy of the results of the check shall be maintained by the School.

- E. Prohibited Employment. The School shall prohibit any employee of the School or its contractors from working at a public school who has contact with children at a public school during the course of his or her employment, if such individual has pled guilty to or been convicted of any felony crime specified under RCW 28A.400.322. The School shall engage in due diligence to learn whether any of its employees or contractor's employees have pled guilty or been convicted of any such crime and shall require their employees and contractors to self-report to the School any such plea or conviction. Any failure to comply with this section shall be grounds for immediate termination of this Contract by the Authorizer, notwithstanding any other provision in this Contract.
- F. Retirement System. The School is an employer and its employees shall be members of the State of Washington public employees' retirement system to the extent authorized by law. RCW 41.40.025.

## **19. ADDITIONAL SERVICES**

Except as may be expressly provided in this Contract, as set forth in any subsequent written agreement between the School and the Authorizer, or as may be required by law, neither the School nor the Authorizer shall be entitled to the use of or access to the services, supplies, or facilities of the other. Any service agreements between the Authorizer and the School shall be subject to all terms and conditions of this 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 School and the Authorizer or not required by law, shall not be a condition of the approval or continuation of this Contract.

## **20. PROVISION OF POLICIES TO THE AUTHORIZER**

Upon request, the School will furnish to the Authorizer copies of all written policies and procedures it may adopt with respect to any matter relating to its management, operations, and educational program.

## **21. AUTHORIZER'S RIGHTS AND RESPONSIBILITIES**

- A. Oversight and Enforcement. The Authorizer will manage, supervise, and enforce this

Contract. It will oversee the School's performance under this Contract and hold the School accountable to performance of its obligations as required by federal and state laws and regulations, the Performance Framework, as well as the terms of this Contract. This may include, but is not limited to, taking corrective action, development of corrective action plans, imposing sanctions, renewal, revocation, or termination of this Contract.

- B. Right to Review. The Authorizer has oversight and regulatory authority over the schools that it authorizes as provided by the provisions of chapter 28A.710 RCW. Upon request, the Authorizer, or its designee, shall have the right to review all records created, established or maintained by the School in accordance with the provisions of this Contract, Authorizer policies and regulations, or federal and state law and regulations. This right shall be in addition to the Authorizer's right to require the School to submit data and other information to aid in the Authorizer's oversight and monitoring of the School as provided under this Contract and governing law. When the request is for on-site inspection of records, the Authorizer shall be granted immediate access. If the request is for reproduction of records, then the Authorizer will include a timeframe in which the records must be provided; the School must adhere to this timeframe.

This information, regardless of the form in which it is disclosed, will be used by the Authorizer, and its authorized representatives, to satisfy its obligations to audit, evaluate, and conduct compliance and enforcement activities relative to the School.

- C. Inquiries and Investigations. The Authorizer may conduct or require oversight activities including, but not limited to, inquiries and investigations consistent with chapter 28A.710 RCW, regulations, and the terms of this Contract. The Authorizer may gather information or evidence from any individual or entity with information or evidence that may be relevant to the inquiry or investigation.
- D. Notification of Perceived Problems. The Authorizer will notify the School of perceived problems about unsatisfactory performance or legal compliance within reasonable timeframes considering the scope and severity of the concern. The School will be given reasonable opportunity to respond to and remedy the problem, unless immediate revocation is warranted.
- E. Oversight Fee. The Authorizer shall be paid an authorizer oversight fee in accordance with RCW 28A.710.110 and associated rules adopted by the State Board of Education.

## **22. BREACH OF CONTRACT, TERMINATION, AND DISSOLUTION**

- A. Breach by the School. Violation of any material provision of this Contract may, in the discretion of the Authorizer, be deemed a breach and be grounds for corrective action up to and including revocation or nonrenewal of this Contract. In making this determination, the Authorizer will consider the underlying facts and circumstances including, but not limited to, the severity of the violation as well as the frequency of violations and adhere to the applicable procedures contained in chapter 28A.710 RCW, and its rules and procedures. Material provisions include, but are not limited to, provisions imposing a requirement to comply with the Authorizer rules and policies and all applicable laws.

B. Termination by the Authorizer. This Contract may be terminated, after written notice to the School, and the charter revoked by the Authorizer's Board of Directors consistent with the provisions of Chapter 28A.710 RCW and associated rules and policies. The Authorizer may terminate the Contract for reasons, including but not limited to the following:

1. Any of the grounds provided for under Washington state law as it now exists or may be amended;
2. A material violation of any of the terms, conditions, standards, or procedures set forth in the Contract. Notwithstanding any provision in this Contract (and regardless of any provision stating that violation of such particular provision shall be considered a material and substantial violation of this Contract), a material violation of any provision of the Contract may be grounds for Authorizer intervention, termination, or revocation of the Contract pursuant to the terms of the Contract and provisions of the law;
3. Failure to meet generally accepted standards of fiscal management and/or the School's lack of financial viability;
4. Failure to provide the Authorizer with access to information and records;
5. Violation of any provision of law;
6. Failure to meet the goals, objectives, content standards, performance framework, pupil performance standards, applicable federal requirements or other terms identified in the Contract;
7. Violation or breach of any of the School's Statements of Assurances (attached to this Contract as **Appendix J**);
8. Bankruptcy, insolvency, or substantial delinquency in payments of the School;
9. It is discovered the Applicant submitted inaccurate, incomplete, or misleading information in its Application or in response to the Authorizer's request for information or documentation.

This Contract may also be terminated if the Authorizer determines that there are insufficient funds available for the operation of the School. Insufficient funds shall include, but not be limited to, reduction in, or elimination of, state allocation of funds. It shall also include depletion of grants or other funding sources to a degree that the Authorizer determines the School is no longer financially viable. Such termination will be effective on the date identified in the notice, which will be thirty (30) days, or sooner, if the Authorizer determines that a shorter period is warranted.

The School shall not be entitled to any payment, compensation, or reimbursements for any termination of this Contract.

- C. Other Remedies. The Authorizer may obtain or impose any and all other remedies available by law for breach including, but not limited to, withholding of funds or imposing other sanctions or corrective action to address apparent deficiencies or noncompliance with legal requirements. These may include a requirement that the School develop and execute a corrective action plan within a specified timeframe. Failure to develop, execute, and/or complete the corrective action plan within the timeframe specified by the Authorizer will constitute a material and substantial violation of the Contract. This provision shall be implemented in accordance with the chapter 28A.710 RCW and the associated policies, rules and/or guidance issued by the Authorizer.
- D. Termination by the School. Should the School choose to terminate this Contract before the end of the contract term, it may do so only after consultation with and approval by the Authorizer at the close of any school year and upon written notice to the Authorizer Board of Directors given at least one hundred twenty (120) days before the end of the school year. The School must comply with the Authorizer's termination protocol.
- E. Winding Up of Affairs. Upon termination of this Contract for any reason or if the School should cease operations or otherwise dissolve, the School, its Charter Board and its personnel shall fully cooperate with the Authorizer in winding up the affairs of the School and shall comply with any and all closure requirements imposed by the Authorizer. The Authorizer will have authority to ensure the winding up of the School and its affairs; provided, however, that in doing so the Authorizer will not be responsible for and will not assume any responsibilities or liability incurred by the School under this Contract or otherwise. The School's obligations for following a termination protocol and winding up the affairs of the school shall survive the term of this Contract.
- F. Disposition of School's Assets upon Termination or Dissolution. All assets, including tangible, intangible, and real property in use by the School but originally owned by the Authorizer or purchased in whole or in part with public funds are the property of the Authorizer and shall be returned to the Authorizer upon termination or dissolution, in accordance with Authorizer policy and governing law. School owned assets, including tangible, intangible, and real property, remaining after paying the School's debts and obligations and not requiring return or transfer to donors or grantors, or other disposition in accordance with state law, will be disposed of in accordance with governing state and federal law, including, but not limited to, RCW 28A.710.210, and the rules adopted thereto. This provision shall survive the term of this Contract.

## **23. INSURANCE AND LEGAL LIABILITIES**

- A. Insurance. The School will maintain adequate insurance necessary at its own expense 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 School and its directors, officers, employees, agents, representatives and contractors with policy limits as set forth below:

1. Comprehensive general liability on an occurrence basis, with a limit of not less than \$7,000,000 each occurrence and \$7,000,000 aggregate for bodily injury and property damage. It shall include premises and operations, independent contractors, products and completed operations, personal injury liability, and contractual liability coverage for the defense, indemnity, and hold harmless obligations provided under this Contract;
2. Officers, directors and employees errors and omissions: \$1,000,000;
3. Professional liability insurance: \$1,000,000 per occurrence, plus \$7,000,000 for sexual molestation claims. Coverage must include coverage from claims of sexual molestation and corporal punishment and any sublimits must be approved by the Authorizer;
4. Data Breach Insurance: \$1,000,000;
5. Property insurance: As required by landlord or lender;
6. Transportation/Motor vehicle liability: All School provided vehicles (including those of School's third-party student transportation contractor) used to transport students shall be insured under a standard motor vehicle fleet and automobile liability insurance policy providing, without limitation, the following: a combined single limit of not less than \$2,000,000 for bodily injury liability, property damage liability, and uninsured/under-insured motorist benefits; and contractual liability coverage for the defense, indemnity, and hold harmless obligations provided under this Contract. Such policy shall also afford coverage for owned, hired, and non-owned vehicles;
7. Fidelity/Crime Coverage: \$500,000;
8. Bonding: Not less than \$50,000; and
9. Workers' compensation: As required by state law.

With respect to the insurance policies in immediately preceding subsections 1., 2., 3., 4., 5., and 6., the School shall cause the insurers from whom the School procures such insurance to issue endorsements to such policies, naming and protecting the Authorizer and its employees, agents, directors, and representatives as additional insureds under such policies, for all purposes and claims made against the Authorizer or any of them related to or arising from the subject matter or performance of this Contract. The Authorizer and the School may agree to adjust the coverage and limits provided for under the terms of any particular insurance policy or policies, as needed. The School will pay any deductible amounts attributable to any acts or omissions of the School, its employees, directors, officers, agents, representatives and contractors. There shall be no cancellation, material change, or reduction of limits or intent not to renew insurance coverage(s) without thirty (30) days written notice from the School to the Authorizer. Before performance of this Contract, the School shall furnish to the Authorizer acceptable copies of such insurance certificates,

endorsements, or other appropriate documents of proof, from School's insurers, establishing to the Authorizer's satisfaction that compliance with School's obligations under this section has occurred. Such certificates shall include, but not be limited to, applicable policy endorsements, the thirty (30) day cancellation clause, and the deduction or retention level.

School shall ensure that any contractor it provides shall comply with all the requirements in this section.

Failure to maintain insurance coverage in at least the minimum limits required by this Contract is grounds for revocation.

- B. Insurance Certification. The School shall, by August 1 of each year, provide the Authorizer with proof of insurance as required by this Contract, state law and Authorizer policy.
- C. Risk Management. The School will promptly (within twenty four (24) hours) report to the Authorizer any and all pending or threatened claims or charges, and promptly provide the Authorizer's general counsel and risk manager with all notices of claims. The School will cooperate fully with the Authorizer in the defense of any claims asserted against the Authorizer, and its directors, agents, representatives or employees arising from or related to the operation of the School, and comply with the defense and reimbursement provisions of this Contract, Washington state law and the Authorizer's and the School's applicable insurance policies. If the School obtains insurance through any policy held by the Authorizer, it shall comply with all risk management requirements of the Authorizer and its insurer. The School's obligations in this Section 23(C) do not create any obligation for the Authorizer to supervise or otherwise have any responsibility as to any claims or charges asserted against the School.
- D. Limitation of Liabilities. In no event will the Authorizer or its directors, employees, representatives, or agents be responsible or liable for the debts, acts or omissions of the School, its officers, directors, employees, representatives, contractors, or agents.
- E. Faith and/or Credit Contracts with Third Parties. The School shall not have authority to extend the faith and credit of the Authorizer to any third party and agrees that it will not attempt or purport to do so. The School acknowledges and agrees that it has no authority to enter into a contract that would bind the Authorizer and agrees to include a statement to this effect in each contract or purchase order it enters into with third parties. The School acknowledges that the same provisions in law or Authorizer policies that apply to the Authorizer itself limit the School's authority to contract.
- F. Indemnification. The School shall defend, indemnify, hold and save harmless the Authorizer, its agents, representatives, directors, and employees ("Indemnitees") from all loss, damage, liability, claims, allegations, demands, suits, causes of action, settlements, judgments, or expenses (including attorney fees and all expenses of litigation), (each and all, hereinafter, "Claim"), resulting from any actual or alleged injury or death of any person, or from any actual or alleged loss of or damage to any real or personal property, caused by or resulting from any act or omission by the School or its employees, agents, directors, officers, representatives, or contractors relating to, arising from, or connected with the School's performance of this Contract. This agreement to

defend, indemnify and hold harmless shall be triggered upon the assertion of any Claim against any Indemnitee within the scope of the School's said defense, indemnification and hold harmless obligations. Attorney fees and litigation expenses incurred by any Indemnitee in successfully enforcing the obligations of this Section shall be paid by the School.

The School further agrees that its defense, indemnity and hold harmless obligations shall apply to Claims made by its own employees against an Indemnitee, but in that instance only to the extent of the School's own negligence or fault in whole or partly causing the claimant's damages. To that extent, the School therefore knowingly and expressly waives any immunity that it otherwise might have been entitled to invoke under Title 51 RCW in opposition to a claim for defense, indemnity, or hold harmless hereunder. The School agrees by initialing this provision that this waiver of immunity under Title 51 RCW has been expressly and specifically negotiated by them: **(School's Initial)**. The obligations in this Section 23(F) shall survive the term of this Contract.

## 24. CONDITIONS AND CONSTRUCTION

This Contract is conditioned upon approval by the Authorizer's Board of Directors and upon certification from the Washington State Board of Education in accordance with Washington state law. Nothing in this Contract will be construed to alter or interfere with the Authorizer's performance of any obligations imposed under federal or state law.

## 25. GENERAL

- A. Merger. The Appendices, Exhibits, Attachments, and Amendments between the Authorizer and School are incorporated herein (as if fully set forth herein) and, along with this Contract, contain the exclusive and complete terms, conditions, and understandings of the Parties relating to this matter. No prior representations, understandings, or discussions, oral or otherwise, are merged herein and all are superseded by this Contract.
- B. Amendments. This Agreement may be amended or modified at any time by mutual agreement of the parties. No amendment to this Contract will be valid unless ratified in writing by the Authorizer and the School's governing body and executed by authorized representatives of the Parties.
- C. Governing Law and Venue. This Contract will be governed and construed according to the Constitution and Laws of Washington state and venue for any action brought hereunder shall be the Superior Court of Spokane County.
- D. Severability. If any provision of this Contract or any application of this Contract to the School is found contrary to law, such provision or application will have effect only to the extent permitted by law and the invalidity shall not affect the validity of other terms or conditions of this Contract. The Parties shall, upon the request of either party, negotiate in good faith to adopt any necessary or appropriate replacement provision.



- E. No Waiver. The Parties agree that no assent, express or implied, to any breach by either party of any one or more of the provisions of this Contract shall constitute a waiver of any other breach.
- F. No Third-Party Beneficiary. This Contract shall not create any rights in any third parties who have not entered into this Contract, nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Contract.
- G. Non- Assignment / Non-Transfer. Neither party to this Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Contract unless the other party agrees in writing to any such assignment and such assignment is otherwise in accordance with the law.
- H. Records Retention. School records shall be maintained in accordance with all applicable state and federal document and record retention requirements. If any litigation, claim or audit is started before the expiration of an applicable document retention period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved. This provision shall survive the term of the contract.
- I. Confidential Information: FERPA (20 U.S.C. § 1232g; 34 C.F.R. 99). The parties recognize that they are both bound by the requirements of the Family Educational Rights and Privacy Act Regulations (FERPA), (20 U.S.C. § 1232g; 34 C.F.R. § 99), and they will safeguard such information in accordance with the requirements of FERPA. The parties further recognize that some of the information exchanged under this agreement will be confidential.
1. The term “confidential information” as used in this Contract means any and all student education records and student information protected by the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g and all other similar federal and state laws.
  2. Confidential information disclosed under this agreement will be used solely for legally authorized purposes including, but not limited to, the audit, evaluation of the School and associated compliance and enforcement activities.
  3. Only employees of the parties, and legally authorized individuals, will have access to confidential information described in this Contract.
  4. Any re-disclosure of personally identifiable information will occur only as authorized under this Contract and 34 C.F.R. § 99.33.
  5. Confidential information exchanged under this Contract will be destroyed when the purpose for which the information was required has been completed, and will not be duplicated or re-disclosed without specific authority to do so. Provided, however, that the parties must also comply with all legally imposed document retention requirements and litigation holds.
  6. The parties will safeguard confidential information by developing and adhering to policies governing physical, electronic, and managerial safeguards against unauthorized access to and unauthorized disclosure of confidential information.
- J. Order of Precedence. The items listed below are incorporated by reference herein. In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal and Washington State Statutes and Regulations;
  2. Terms and Conditions of the Contract;
  3. Appendices; and
  4. Any other provisions incorporated by reference or otherwise into the Contract.
- K. Taxes. The School shall be responsible for adherence to all state and federal tax laws and regulations including, but not limited to, all payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the School's employees, contractors, staff and volunteers which shall be the sole liability of the School.
- L. Statement of Assurances. The School's Statement of Assurances (**Appendix J**) and each provision therein are incorporated into this Contract as if fully set forth herein.
- M. Mandatory Dispute Resolution Procedure. In the event that a dispute shall arise regarding the terms, conditions, or breach of this Contract, the Authorizer shall have the right to require mediation as a condition precedent to any claim being brought in court. Each party shall split the expenses of the mediator and the facility for the mediation. Each party shall otherwise pay its own expenses.
- N. Compliance with Law. In addition to expressing the intent of the Parties, the provisions of this Contract are intended to comply with all requirements of law, including Chapter 28A.710 RCW, as it now exists or may be amended.

## 26. NOTICE

Any notice required or permitted under this Contract shall be in writing and shall be effective upon personal delivery or three days after mailing when sent by certified mail, postage prepaid, addressed as follows:

For Authorizer:

Spokane Public Schools

Attn: Jeannette Vaughn, Director of Innovative Programs

200 N. Bernard St.

Spokane, WA 99201

(509) 354-7353

For School:

Lumen High School

Attn: Shauna Edwards, Executive Director,

Lumen Public School

sedwards@lumenhighschool.org

(509) 570-3921

Any change in address shall be immediately given to the other party in writing. Any notice that is undeliverable due to change of address without proper notification to the other party will be deemed received on the date delivery to the last known address was attempted.

If a notice is received on a weekend or on a national or Washington state holiday, it shall be deemed received on the next regularly scheduled business day.

## 27. SCHOOL'S AUTHORITY

Persons executing this Contract on behalf of the School represent that they are authorized to do so and warrant that this Contract is a legal, valid, and binding obligation on behalf of the School, and is enforceable in accordance with its terms.

IN WITNESS WHEREOF, the Parties have executed this Contract with a term beginning August 31, 2020.

THE AUTHORIZER:

By: 

Susan Chapin, Board President

THE CHARTER SCHOOL BOARD FOR THE  
LUMEN HIGH SCHOOL

By: 

Jeng Ray, Board President

