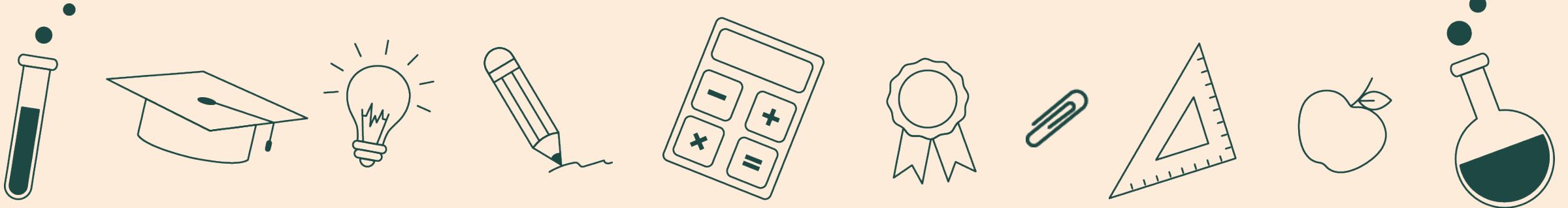




“What did you just sign?”

Knowing what is in your Charter Contract

Erin Wright, Deputy General Counsel



PRESENTATION OUTLINE

- 1 Charter Contract Basics
- 2 Legal Obligations in the Charter Contract
- 3 When things go wrong
- 4 Final Legal Terms
- 5 Your Responsibility – What should you do



What is a Charter Contract?

- Your authorization to operate
- Holds schools accountable
- Spells out legal obligations, consistent with, and in addition to, federal and state laws and regulations

CHARTER FOR [SCHOOL NAME]

This charter for [School Name] ("Charter") is entered into by and between [School's Nonprofit Corporation Name] ("Petitioner") and the State Charter Schools Commission of Georgia ("SCSC") (collectively referred to as "the parties").

WHEREAS, the Petitioner submitted a petition proposing to establish a state charter school pursuant to O.C.G.A. § 20-2-2060 *et seq.*, the Charter Schools Act of 1998 ("Charter Schools Act") and O.C.G.A. § 20-2-2084;

WHEREAS, the SCSC finds that the petition complies with the provisions of the Charter Schools Act, and the rules, regulations, policies and procedures promulgated in accordance with O.C.G.A. § 20-2-2063 and O.C.G.A. § 20-2-2084 and further finds that the petition is in the public interest; and

WHEREAS, pursuant to Article 31 and Article 31A of Chapter 2 Title 20 of the Official Code of Georgia Annotated, the SCSC grants this Charter to permit Petitioner to operate [School Name] ("the Charter School") in accordance with the terms and conditions of this Charter.

NOW THEREFORE, in consideration of the promises, mutual agreements, and covenants contained herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. The terms below will be interpreted in accordance with the following definitions, unless and until federal or state law, or the state accountability system, is amended otherwise:

- a. Education Service Provider means a nonprofit or for-profit organization that contracts with charter schools to provide multiple educational, operational, or comprehensive management services, including, but not limited to, curriculum design, instructional resources, professional development, financial and operational management, facilities management, or any combination thereof.
- b. Georgia Department of Education (GaDOE or Department) means the state agency charged with the fiscal and administrative management of certain aspects of K - 12 public education, including the implementation of federal and state mandates. Such management is subject to supervision and oversight by the State Board of Education.
- c. Governing Board means the governing board of the nonprofit organization for a state charter school and which is the same as the governing board of the state charter school which is involved in school-level governance of the state charter school.
- d. Local Educational Agency (LEA) means a public authority legally constituted with Georgia for administrative control or direction of public elementary or secondary schools. The Charter School shall act as its own LEA pursuant to O.C.G.A. § 20-2-2090 and SBOE Rule 160-4-9.04, including but not limited to data reporting, student enrollment counting procedures, student achievement reporting, and funding allocations.
- e. School Leader means the individual with the highest authority in school administration regardless of

POP QUIZ!

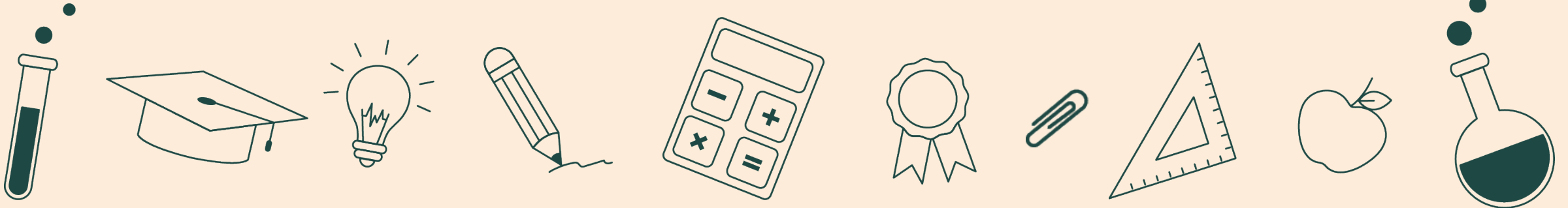
Where can you view your school's charter contract?

- 1) Your school's website
- 2) SCSC's website
- 3) Georgia Department of Education's website



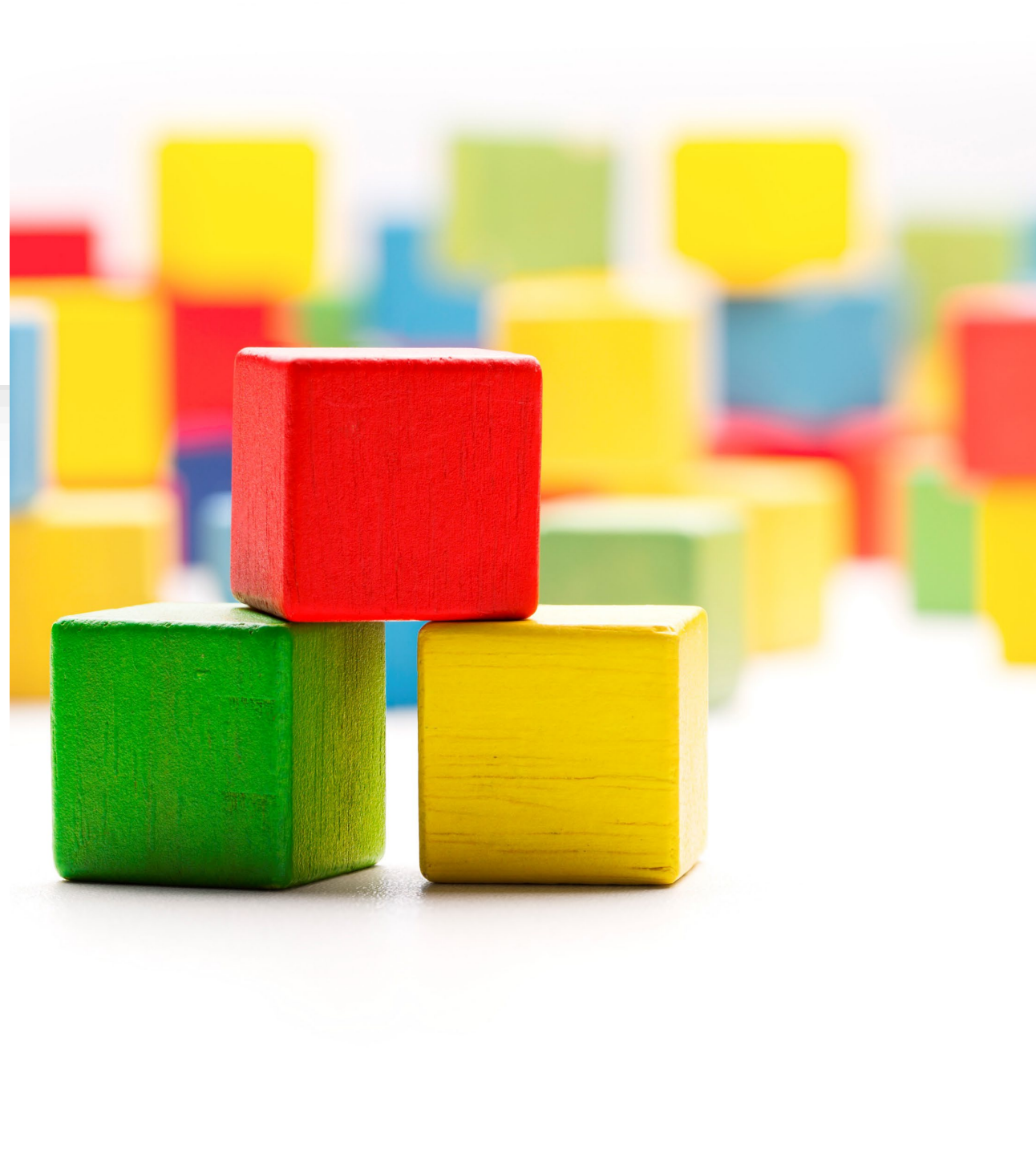


Basic Charter Contract Terms



Charter Contract Basics

- Signed by the SCSC Board Chair & the school's Governing Board Chair
- Legal document that is binding on both SCSC and the school's nonprofit organization
- Same terms for each school except for a handful of terms that can be modified by the school



Length of the charter contract?

- All initial start-up charter schools receive a standard 5-year charter term
- Note – if you deferred your opening by a year or more, you can request an extension of the term once operational

limited to data reporting, student enrollment counting procedures, student achievement reporting, and funding allocations.

e. School Leader means the individual with the highest authority in school administration regardless of title.

f. State Board of Education (SBOE or State Board) means the constitutional authority which defines education policy for public K – 12 education agencies in Georgia.

2. Charter Term. The SCSC grants this Charter to Petitioner to operate the Charter School for a five-year term beginning on July 1, 2023 and expiring on June 30, 2028.

Charter School

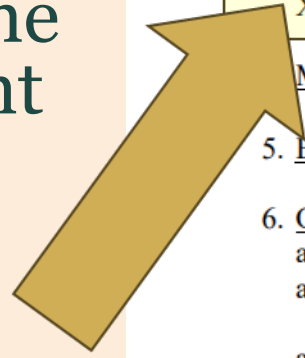
3. Grade Range. The Charter School shall serve grades [grade range]. The Charter School's total enrollment shall be at least XX [calculated at 85% of Year 1 enrollment for new schools] students but shall not exceed XX students at any point during the charter term.

Renewal

- During your last year of the term, you will go through our renewal process
- Renewal is predominately based on SCSC evaluation of CPF performance in addition to other factors
- Renewal may result in another standard 5-year term or an abbreviated term
- Renewal requires execution of a new charter contract.
**NOTE – when renewed, you need to thoroughly review your charter contract because we update terms.

Grade Band and Enrollment Range

- You can only serve the grades authorized by your charter contract.
- You cannot exceed the maximum enrollment in your charter contract - you would need to request an amendment.



Charter School

3. Grade Range. The Charter School shall serve grades [grade range]. The Charter School's total enrollment shall be at least XX [calculated at 85% of Year 1 enrollment for new schools] students but shall not exceed XX students at any point during the charter term.

Mission Statement. [School's mission statement]

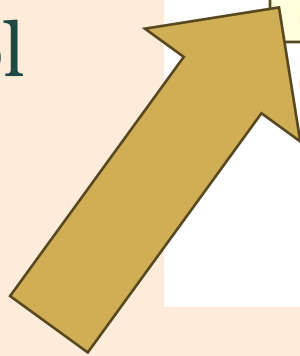
5. Essential or Innovative Features. [Essential or Innovative Features]

6. Open Enrollment and Admissions. The Charter School shall comply with the open enrollment and admissions provisions set forth in O.C.G.A. § 20-2-2066. Enrollment shall be open to any student in accordance with the following criteria:

- a. Attendance Zone. Enrollment shall be open to any grade level eligible student who resides in [the State of Georgia/specific school districts].

Mission & Innovative Features

- This is where you include the mission your board agreed upon and what essential or innovative features your school commits to implement.



Charter School

3. Grade Range. The Charter School shall serve grades [grade range]. The Charter School's total enrollment shall be at least XX [calculated at 85% of Year 1 enrollment for new schools] students but shall not exceed XX students at any point during the charter term.

4. Mission Statement. [School's mission statement]

5. Essential or Innovative Features. [Essential or Innovative Features]

6. Open Enrollment and Admissions. The Charter School shall comply with the open enrollment and admissions provisions set forth in O.C.G.A. § 20-2-2066. Enrollment shall be open to any student in accordance with the following criteria:

- a. Attendance Zone. Enrollment shall be open to any grade level eligible student who resides in [the State of Georgia/specific school districts].

Attendance Zone

- Statewide

VS

- Defined

Deviating from this requires an amendment.

Charter School

3. Grade Range. The Charter School shall serve grades [grade range]. The Charter School's total enrollment shall be at least XX [calculated at 85% of Year 1 enrollment for new schools] students but shall not exceed XX students at any point during the charter term.
4. Mission Statement. [School's mission statement]
5. Essential or Innovative Features. [Essential or Innovative Features]
6. Open Enrollment and Admissions. The Charter School shall comply with the open enrollment and admissions provisions set forth in O.C.G.A. § 20-2-2066. Enrollment shall be open to any student in accordance with the following criteria:
 - a. Attendance Zone. Enrollment shall be open to any grade level eligible student who resides in [the State of Georgia/specific school districts].

Mission-Specific Goals

- Approved by your board
- We ask that they be measurable and for a specific defined time period.

achievement and compliance at least annually following the completion of the Charter School's first year of operation.

- c. Performance Expectations. The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the CPF shall provide the basis upon which the SCSC will decide whether to renew the Charter School's Charter Contract at the end of the charter term. This section shall not preclude the SCSC from considering other relevant factors in making renewal decisions.

- d. Mission-Specific Goals. The operational portion of the CPF incorporated as Exhibit A, holds the Charter School accountable for the following mission-specific goals:
- i.

Performance Review Presentations. In the event that the Charter School fails to meet standards in accordance with the CPF, the Charter School may be required to make an annual, in-person report to the Commission ("Performance Review Presentation"). At least one Board member and one staff member must attend the Annual Performance Review Presentation. Presentations shall be in the form and manner requested by the SCSC.

10. Assessment and Accountability. Notwithstanding Sections 7 and 9 above, the Charter School is subject to all accountability and assessment requirements set forth within Title 20 of the Official Code of Georgia

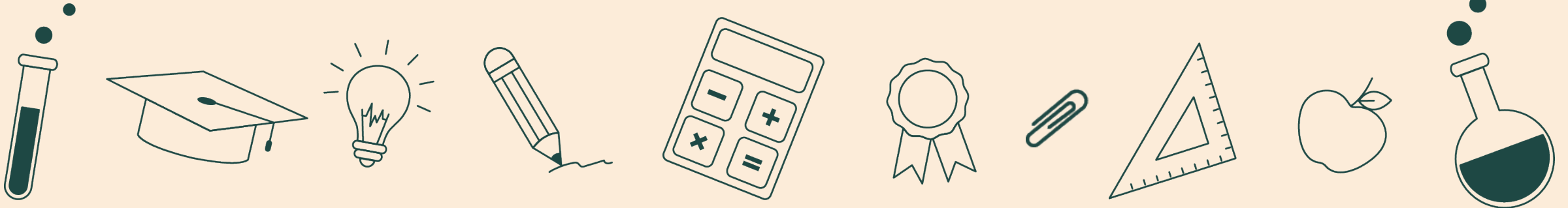


How do I Amend My Contract?

- A Charter can be amended upon approval by the SCSC and a majority of the school's Governing Board.
- No amendments are valid or effective unless in writing and signed by both parties.
- Submit a written request to amend to the SCSC in the form and manner required by the SCSC.
- Who you reach out to first depends on what you want to amend.
 - Expansion
 - Model/mission/innovative features
 - Attendance zone
- If impacts finances, be prepared to know what we will ask for.



Legal Obligations in the Charter Contract



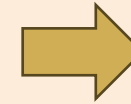
ACCREDITATION

Applies to

- Schools serving 9-12

Requirement

- Accredited by a statutorily approved organization



By when

- Prior to any student's high school graduation

- Southern Association of Colleges and Schools
- Georgia Accrediting Commission
- Georgia Association of Christian Schools
- Association of Christian Schools International
- Georgia Private School Accreditation Council
- Southern Association of Independent Schools
- Georgia Independent School Association



SUBSTANTIVE CONTROL

The Governing Board shall:

- Exercise substantive control over such areas as personnel decisions, financial decisions, curriculum and instruction, resource allocation, establishing and monitoring the achievement of school improvement goals, and school operations.
- Uphold the school's mission and vision, set policy for the school, work collaboratively with school officials to ensure the school complies with performance goals, ensure effective organizational planning, and ensure the school's financial stability.



MEETINGS

TRUE OR FALSE?

The board must have at least 8 regular meetings each state fiscal year.

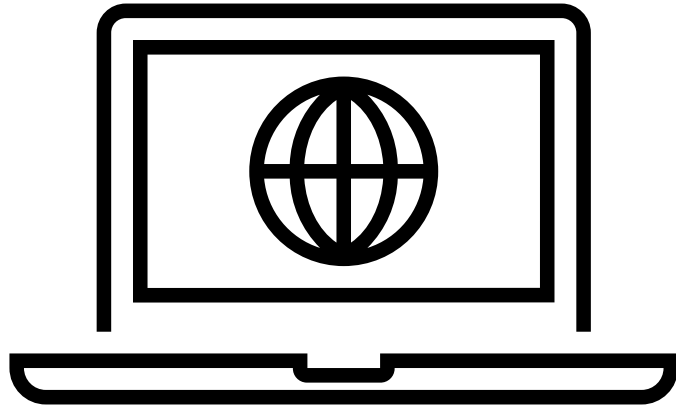
ANSWER: FALSE. You must hold at least 10 regular meetings.

The board cannot vote on any official business, policy or public matter by e-mail.

ANSWER: TRUE.



SCHOOL WEBSITE



The following must be “easily accessible” on your website:

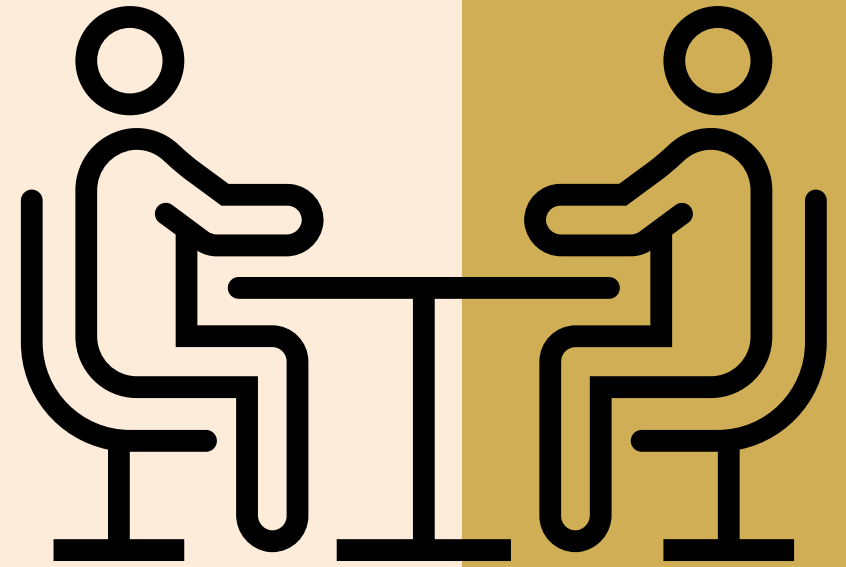
- List of current Governing Board directors
- Meeting Calendar, agendas for upcoming meetings, and meeting minutes for past meetings
- Procedure to contact the School Leader and Governing Board
- Admissions applications used by the school
- Notification of enrollment and admission procedures
- Annual operating budget or summary
- Charter contract

STAKEHOLDER COMMUNICATION

The Governing Board and School Leader must communicate in a timely manner* with stakeholders such as:

- The SCSC
- Families
- Students
- Other government agencies

**Must use “all reasonable efforts to promptly and expeditiously respond to and address stakeholder communications, compliance, and requests for information.”*



CONFLICTS OF INTEREST

The Governing Board must have a formal conflict of interest policy to prevent and disclose conflicts of interest.

Upon request, the school must provide conflict of interest forms to the SCSC demonstrating that governing board members are in compliance with the conflicts of interest policy.

*Remember applicable laws – OCGA 20-2-2084; Nonprofit Code of Georgia; federal regulations



DIRECTOR COMPENSATION

TRUE OR FALSE?

Governing Board directors can receive compensation for their service on the board.

ANSWER: FALSE. Governing Board directors cannot receive compensation for their service on the board *except* for reasonable expenses incurred to attend board meetings or perform official board duties.

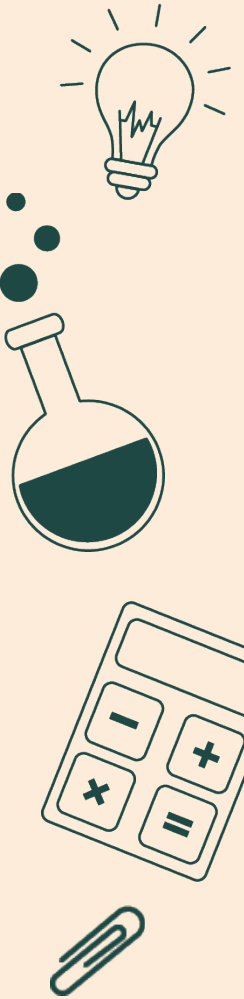


GEORGIA'S LUA MANUAL

You must follow the Georgia Department of Education's Financial Management for Georgia Local Units of Administration (LUA) Manual for all funds.

The LUA Manual discusses:

- financial policies
- preparing and adhering to operating budgets
- accounting procedures
- managing cash and investments
- segregating duties and internal controls



HIGH RISK FINANCIAL MONITORING

TRUE OR FALSE?

Schools that do not meet CPF financial standards and/or demonstrate negligence that may lead to material financial misstatements of the school's fiscal performance may be subject to more frequent SCSC financial monitoring.

ANSWER: TRUE.



CHIEF FINANCIAL OFFICER

TRUE OR FALSE?

You must designate a CFO with min qualifications:

- A baccalaureate or higher degree in business, accounting, or finance from an accredited college or university and a minimum of four years' experience in a field related to business or finance; or
- Documented experience of ten or more years in the field of business and financial management.

ANSWER: TRUE.



INSURANCE

Schools must secure and maintain adequate insurance coverage throughout the charter term

- CGL
- Workers Compensation
- Property/ (First, Third?)
- Automobile
- Cybersecurity***



DEBT AND UNRESTRICTED CASH

Assume debt (loans, bonds) with a repayment schedule that exceeds the current charter contract term

REPORT TO
SCSC
EXECUTIVE
DIRECTOR

SCSC MAY REQUIRE:

- Risk-avoidance plan
- Monthly reports or bank statements

The school has a negative cash balance or unrestricted days cash of less than 15 days.



REQUIRED TRAININGS

GaDOE's Data
Collections Conference
(one school rep each
year)

GaDOE's Federal
Programs Conference
(one school rep each
year the school
receives federal funds)

Governance Training
(12 hours) annually for
each Governing Board
member



SURETY BOND

TRUE OR FALSE?

You must maintain a \$200,000 surety bond throughout the entirety of your charter term and six months following the conclusion of the charter term to assure the faithful performance of the duties of the school and its employees, including the fulfillment of obligations in closing financial affairs in the event the school ceases operation.

ANSWER: “It depends!” Check your charter contract! We added in a surety bond provision several years ago. The amount depends on the maximum enrollment number.



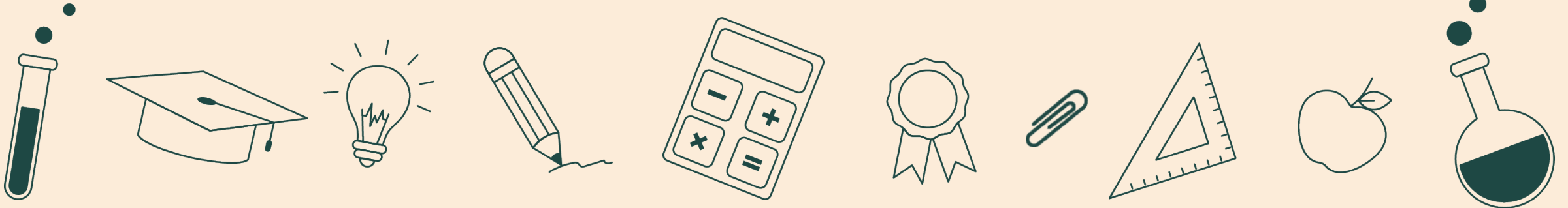
ESP RELATIONSHIPS

- You must receive the SCSC Executive Director's approval prior to entering into or amending an ESP agreement.
- Teachers, instructional staff and faculty must be employed by the Governing Board
- The ESP can employ the School Leader only if the Governing Board retains authority to select and dismiss that individual. Also, the School Leader must establish a regular and ongoing physical presence in the school to permit them to oversee daily operations.
- The ESP can also employ other non-instructional staff so long as the Governing Board remains responsible and accountable for operations and performance of the contractors





When Things Go Wrong



Grounds for Termination

- ❖ Failure to comply with Charter Contract
- ❖ Failure to comply with State Board of Education requirements established for failing schools
- ❖ Failure to adhere to generally accepted standards of fiscal management
- ❖ Violation of federal, state, local laws or court orders
- ❖ Continued operation of the Charter School would be contrary to the best interests of the students or the community
- ❖ Conditions that place the health, safety, or welfare of students or staff of the Charter School in danger.



Grounds for Non-Renewal

- ❖ Any reason spelled out as a ground for termination
- ❖ Failure to meet CPF performance expectations
- ❖ “if the SCSC deems that the Charter School has not sufficiently increased student achievement or is no longer in the public interest notwithstanding the Charter School’s performance on the SCSC Comprehensive Performance Framework”



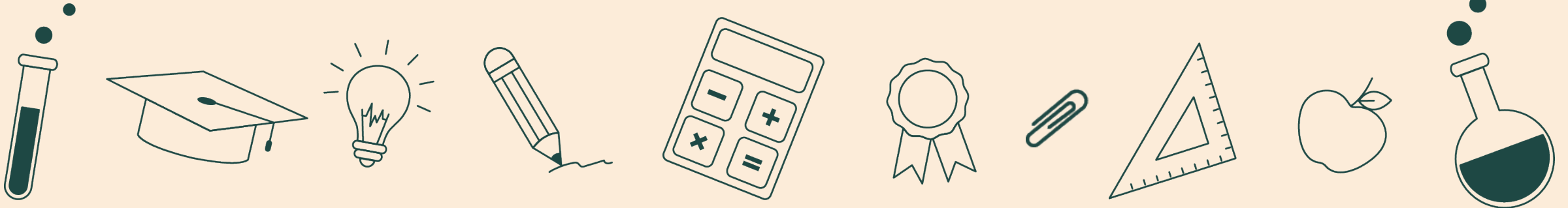
Closure

- ❖ Transition plan to transition students to other schools
- ❖ Must keep a copy of student records for a year, then transfer to SCSC
- ❖ Must maintain website for 6 months
- ❖ SCSC appointed Closure Monitor to oversee activities and report to SCSC any actions that are inconsistent with legal or contractual obligations





Final Legal Terms





Delegation & Assignment

- Functions and powers provided for in the charter contract may be exercised only by the Charter School and not delegated to a third party without written agreement by the parties.
- The charter contract cannot be assigned or transferred by the Charter School unless consented to in writing by the SCSC.

What if the law changes?

‘This Charter is subject to applicable federal and state laws, rules and regulations and shall be deemed amended to reflect applicable changes to those laws upon the effective date of any such change.’



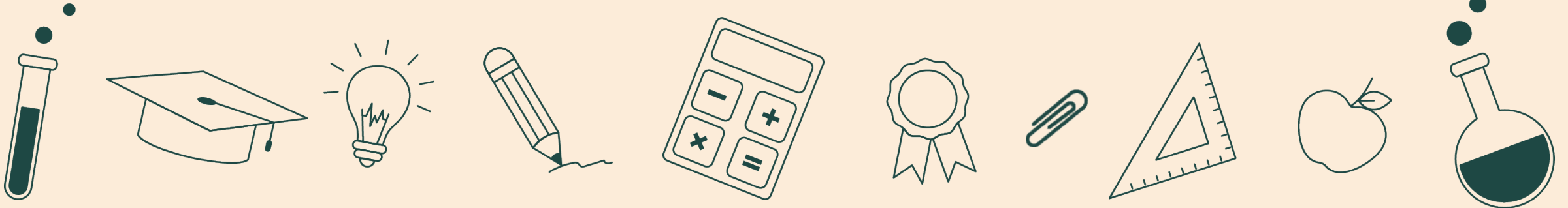


Non-Waiver

“Except as specifically provided for in a written waiver signed by the parties, failure by either party at any time to require performance or claim a breach of this Charter does not constitute a waiver or affect the party’s right to require performance or claim a breach of this Charter.”



Your Responsibility as the Board





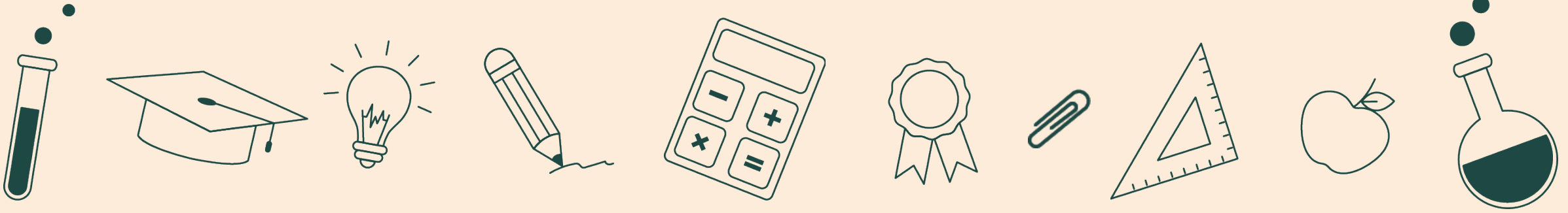
Read your contract! Both now, when you have questions, and after renewal.



Ask questions of your school to confirm compliance with the charter contract.



Develop a plan to oversee the school's activities to make sure they are consistent with the charter contract.



Contact Us

Website: scsc.georgia.gov

Twitter: @SCSCGa

Address: 1356 Twin Towers East,
2 Martin Luther King Jr., Drive, SE
Atlanta, GA 30334

Phone: (404) 656-2837

