# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
# BOARD OF EDUCATION

Agenda Item # 10.1d

**Meeting Date**: June 5, 2014

**Subject**: **Approve Operational Memorandum of Understanding between Sacramento Unified School District and The Language Academy of Sacramento**

- ☐ Information Item Only
- ☒ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☐ Conference/Action
- ☐ Action
- ☐ Public Hearing

**Division**: Accountability Office

**Recommendation**: Approve Operational Memorandum of Understanding between Sacramento City Unified School District and The Language Academy of Sacramento

in this Agreement and its charter. The Charter School shall not be located at more than one school site without the prior express written approval of the District. The Charter School shall not change locations without the prior express written approval of the District. Any change of location shall be considered a material revision of the charter petition under Education Code sections 47605 and 47607 and shall not be denied unless there are sufficient findings per these statutes.

**4. School Accountability.** The Charter School shall comply with Education Code section 47606.5, as that statute may be amended from time to time, as well as its implementing regulations, if any. The Charter School's final version of its Local Control and Accountability Plan ("LCAP") shall be provided to the District by July 1, 2014, and on or before July 1 annually thereafter, unless a different date is established by law. The Charter School will comply with the statutes and regulations regarding the preparation of the LCAP.

**5. Funding.**

(a) Basic Funding. The Charter School shall receive its funding in accordance with applicable law. Should anything in this MOU require revision based upon change in law or regulation, the Parties shall meet without delay to cooperatively revise the MOU to ensure consistency with the law. Any future revision of the Charter Schools Act to revise the manner in which charter schools are funded shall not be interpreted to prevent the Charter School's direct receipt of full funding in accordance with applicable law.

The Charter School is eligible for a general-purpose entitlement allocated through the Local Control Funding Formula ("LCFF") under Education Code sections 42388 *et seq*. In additional to LCFF funding, the Charter School may continue to receive Block Grant Funding for eligible expenses from prior years consistent with state law. Except as otherwise noted in this Agreement, it shall be the responsibility of the Charter School to apply for funding beyond the basic statutory entitlements of the base grant due to the Charter School under LCFF.

The Charter School has elected to receive funding from the State directly, pursuant to Education Code section 47651. The District shall comply 36f(uaae2-6(e)4(l)-2(l)o4(t35( a)4(s)-1( o.15 T(e)4(4[

(c) Expenditure of Funds. The Charter School agrees to comply with all regulations related to expenditures and receipt of its funds (including compliance with federal and state

fully in the release of information to the District to assist in the District's oversight obligations.

**8. Fiscal Relationship.**

(a) Administrative Services. The District's Fee Schedule for Services to Charter Schools ("Fee Schedule") for the 2013-2014 school year is attached hereto as Appendix A. The Charter School may purchase any of the "Optional Administrative Services" designated by the District. If the Charter School elects to purchase such services, the District's agreement to provide those services shall be reduced to writing and signed by the Parties in a separate agreement. The District reserves the right to annually revise the Fee Schedule to reflect the District's then-calculated rates, and the rates stated by each such revision shall apply to services the Charter School is purchasing from the Dis T* [(p1Ee)4(da)4(s)-1(i)-2(ngo)-16(g)6(h)- the C rter Schoolis p
p1Eedasingog'4(r(h)-10(h)-1upur42n)-10( Td (h)-1o t-13((he)4(ov(,)-4(2(e)4(r(h)-1ne)-6(d b)h1( p()oe)6( C)-1

- Providing timely notification, in accordance with the law, regarding whether the charter's renewal is granted or denied, the charter is revoked, or the charter will cease operation for any reason.

- Reviewing annual reports and assessing the fiscal condition of the Charter School pursuant to Education Code section 47604.33.

(c) Payment for Administrative Services, Oversight Fee and Expenses. On a quarterly basis, the District shall provide a written invoice and, as necessary, supporting expense information, to the Charter School detailing the amount due for services performed by the District, the oversight fee due pursuant to section 8(b), and any expenses paid by the District on the Charter School's behalf, with the exception of special education encroachment fees, if any (which shall be computed and charged in accordance with the Special Education Memorandum Of Understanding between Sacramento City Unified School District And The Language Academy of Sacramento (Special Education MOU).

Payment on invoices provided to the Charter School pursuant to this section shall be due within thirty (30) calendar days of receipt unless Charter School has provided written notice to District that it disagrees with invoiced charges. Payments shall be made to the District's Business Services Department. The Charter School may only withhold payment for services, fees or expenses that it has specifically contested. The Charter School shall make payment by check.

(d) Distribution of Assets Upon Revocation or Closure. Should the Charter School, as an entity separate from the Non-Profit, cease to exist (by revocation or nonrenewal of its charter or by voluntary closure), and upon a final audit and the payment of, or provision for payment of, all debts and liabilities of the Charter School, any public funds held by or for the Charter School and any assets of the Charter School purchased with public funds shall be distributed in accordance with the terms of the Charter.

**9. Fiscal Controls.**

(a) Fiscal Policies. The Charter School shall adopt and meet generally accepted accounting principles and shall adopt policies to ensure the Charter School's funds are used to most effectively support the Charter School's mission and to ensure that funds are budgeted, accounted for, expended, and maintained in an appropriate fashion. Such policies will include, but not be limited to the following:

(1) Expenditures shall be made in accordance with amounts specified in the annual budget or budgetary revisions adopted by the Charter School's governing board;
(2) The Charter School's funds shall be managed and held in a manner that provides a high degree of protection of the Charter School's assets; and
(3) All transactions shall be recorded and documented in an appropriate manner that allows reporting to the State, the District, and/or the County

the funds unless otherwise negotiated in advance. The Charter School agrees that it has no entitlement to funds currently being received, if any, by the District under former parcel tax or bond elections.

(f) Loans. The Charter School agrees that it shall establish a fiscal plan for repayment of any loans received by the Charter School in advance of receipt of such loans. It is agreed that all loans sought by the Charter School shall be authorized in advance by the governing board of the Charter School and shall be the sole responsibility of the Charter School. The District will have no obligation with respect to any loans received by the Charter School to finance its operations, and any such loan shall be the sole responsibility of the Charter School. Upon request, the Charter School will provide information regarding any such loan to the requesting agency pursuant to Education Code section 47604.3. The Charter School shall notify the District, in writing, no later than thirty (30) days prior to entering into any debt whatsoever.

(g) Advance of Funds. The District may in its sole discretion advance funds to the Charter School. In addition, the District may in its sole discretion provide a line of credit for the Charter School.

(h) Cash Flow and Reserve. The Parties agree that the maintenance of a sufficient level of funding reserve is in the best interest of Charter School and its successful operation. Accordingly, Charter School shall maintain reserves of no less than three percent (3%). An explanation of any projected drop in reserves below the three percent (3%) level must be included in the Charter School's assumptions in the adopted budget for the fiscal year.

(i) Third Party Debts and Liabilities. Assets or funds allocated or held by the Charter School for provision of its educational services shall not be used to satisfy any third party debts or liabilities, including those of the Non-Profit. Without limitation to the foregoing, no Charter School monies shall be allocated or spent on the debts or liabilities of any party or organization that is associated with founding this Charter School.

(j) Banking Arrangements. The Charter School's Business Officer

or designee will reconcile the Charter School's ledger(s) with its bank accounts or accounts in the County Treasury on a monthly basis and prepare (1) a balance sheet, (2) a comparison of budgeted to actual revenues and expenditures to date, and (3) a cash flow statement, which will be submitted with the reports listed above in section 9(d). The Charter School will deposit all funds received as soon as practical upon receipt. A petty cash fund, not to exceed two hundred dollars ($200), may be established with an appropriate ledger to be reconciled twice monthly by the Non-Profit Business Officer or designee, who shall not be authorized to expend petty cash.

(k) Purchasing Procedures. With respect to all purchases of services or physical assets over five thousand dollars ($5,000), the Charter School must maintain documentation for a five (5) year period of a good faith effort to secure the lowest possible cost for comparable goods or services. Charter School's governing board shall not approve purchase orders or check requests lacking such documentation.

(l) Property Inventory. The Charter School's

with all applicable provisions of the federal No Child Left Behind Act (“NCLB”).

**13. Indemnification.** The Non-Profit shall promptly defend, indemnify, and hold harmless the District, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assigns (collectively hereinafter the "Indemnified Parties") from and against any and all alleged or actual breach of any obligation imposed under this Agreement, or any other actual or alleged breach of any duty or obligation owed to the District or any third party, including any Charter School student (including any student placed with a school other than the Charter School, or in any nonpublic, nonsectarian school or in other special services to address special need or disability situations) or employee, by the Non-Profit or its officers, directors, employees, agents, representatives, volunteers, guests, students, administrators or trustees, successors or assigns. The District shall promptly defend, indemnify, and hold harmless the Non-Profit, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assigns (collectively hereinafter the “Charter

of insurance, which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30-days notice to District.

(b) Workers' Compensation. In accordance with the California Labor Code, the Non-Profit shall purchase and maintain workers' compensation and employers liability insurance or indemnity protection adequate to protect the Charter School from claims under California's Workers' Compensation Act, with a limit of liability no less than $500,000.00, and that extends coverage and protection to Charter School employees and volunteers. Evidence of such coverage shall be provided in the form of a duly issued certificate of insurance which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30-days notice to District.

(c) Property Insurance. The District will maintain insurance for facilities, consistent with the Facilities Use Agreement. This includes property damage coverage sufficient to replace, at current market value and in compliance with any enhanced building codes or disability access ordinances, regulations or laws, all personal property, fixtures, and property owned or under the care, custody, or control of the Charter School. Evidence of such coverage shall be provided in the form of a duly issued certificate of insurance or coverage which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30-days notice to District.

(d) Bond. Fidelity and crime coverage extending to wrongful acts with respect to money or property owned by or under the care, custody or control of any Charter School employee, volunteer, agent or representative. Evidence of such coverage shall be provided in the form of a duly issued certificate of insurance or coverage which must affirmatively state that the required coverage shall not be reduced or prematurely terminated or cancelled absent 30-days notice to District.

**15. Compliance with Law Applicable to Public Agencies.** The Charter School agrees to comply at all times with laws which generally apply to public agencies and to comply with federal or state laws (which may be amended from time to time), including but not limited to the following:

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12900 *et seq*.);

- The Age Discrimination in Employment Act ("ADEA") (29 U.S.C. §§ 621 *et seq*.);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §§ 794 *et seq*.);
- Education Code sections 220 *et seq*.;
- The Uniform Complaint Procedure (5 Cal. Code Regs., tit. 5, §§ 4600 *et seq*.);
- The Family Educational Rights and Privacy Act ("FERPA") (20 U.S.C. §§ 1232g *et seq*.);
- Local Control Funding Formula (California Assembly Bill 97); and
- All applicable state and federal laws and regulations concerning the improvement of student achievement, including but not limited to any applicable provisions of the Elementary and Secondary Education Act of 1965 (20 U.S.C. §§ 6301 *et seq*.) as amended by the No Child Left Behind Act of 2001("NCLB") (20 U.S.C. §§ 6301 *et seq*.).

(a) Brown Act and Governing Board Meetings. During the term of the Charter, the Charter School agrees to comply with key terms of the Brown Act and shall conduct the meetings of its governing board in accordance with the Brown Act, including making public the e

and sports are subject to the rules and regulations of CIF. Charter School students may participate at their own expense in student insurance coverage programs offered by the District.

(b) Transportation. Unless otherwise agreed with the District, the Charter School shall be responsible for any transportation offered to students who enroll in the Charter School.

**17. Amendments to Charter.** Changes to the Charter deemed to be material amendments may not be made without District consideration and approval. Amendments to the Charter considered to be material changes include, but are not limited to, the following:

(a) Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision;
(b) Changing to (or adding) a non-classroom-based program, if originally approved as a classroom-based program;
(c) Proposed changes in enrollment that differ by more than 10 percent +/- of the enrollment originally projected in the charter petition;
(d) Addition or deletion of grades or grade levels to be served;
(e) The addition of facilities and/or new sites not previously approved by the District
(f) Admission preferences;
(g) Governance structure; and
(h) Name changes of the Charter School.

**18. Amendments to Agreement.** Any modification of this Agreement must be in writing and executed by duly authorized representatives of both Parties specifically indicepresseti (e)4-2((i)-280 Tc83 8)

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(c) If this joint meeting fails to resolve the dispute, the District and the Charter School shall enter into non-binding mediation before a mutually agreed upon mediator, with the costs of the non-binding mediation to be split evenly between the Parties. The format of the mediation shall be developed jointly by the District and the Charter School, and shall incorporate informal rules of evidence and procedure, unless both Parties agree otherwise. Notwithstanding the foregoing, the findings or recommendations of the mediator shall be non-binding, unless the governing boards of the Non-Profit and the District jointly agree to bind themselves.

Exercise of any dispute mechanism authorized by this Agreement shall not, in and of itself, constitute a material violation of the charter or otherwise be grounds for revocation.

**20. Severability.** If any provision or any part of this Agreement is for any reason held to be invalid or unenforceable or contrary to law, the remainder of this Agreement shall not be affected thereby and shall remain valid and fuin Distr sihe bete be(ceab(em)-(tr)-e. Td ( )Tj -0.002)3(w)-6(n)-3.9.9(tr)-4

Parties with respect to the matters covered hereby, and supersedes any oral or written understandings or agreements between the Parties with respect to the subject matter of this Agreement. This Agreement may be executed in counterparts, each of which shall constitute an original. Facsimile or scanned emailed copies of signature pages transmitted to other Parties to this Agreement shall be deemed equivalent to original signatures on counterparts.

Dated: _____ _____

Eduardo de León