

Iowa State Board of Education

Executive Summary

February 8, 2024



Agenda Item: Scholarship Prep Middle Charter School Contract Review

State Board Priority: All

State Board Role/Authority: Per Iowa Administrative Code 256E.6 subsection 3 Each charter school contract shall be signed by the President of the State Board and the president or appropriate officer of the governing body of the founding group.

Presenter(s): Thomas Mayes
General Counsel

Janet Boyd, Consultant
Bureau of School Improvement

Attachment(s): One

Recommendation: It is recommended the State Board approve and the President of the Iowa State Board of Education sign the Scholarship Prep Middle Charter School Contract.

Background: Iowa Code 256E established a new charter school law, where both local school boards and founding groups may apply to the State Board for approval to establish and operate a charter school. Scholarship Prep Middle Charter School follows the founding group-state board model. Iowa Administrative Rule chapter 19 states that in order to operate a charter school for the 2024-2025 school year, applications are due no later than November

1, 2023, and the Scholarship Prep Middle Charter School application was received prior to the deadline. The Department of Education staff scored the charter school application, completed an interview with the applicant, and attended a public forum with residents, all of which are required components of the application. On January 11, 2024 the State Board approved the Scholarship Prep Middle Charter School application. Iowa Code 256E requires the State Board to approve and sign the contract in 30 days post application approval.

CHARTER CONTRACT

Between the
Iowa State Board of Education
and
Scholarship Prep - Des Moines (6-8)

I. PARTIES

This Charter Contract (“CC”) constitutes an agreement between the Iowa State Board of Education (“ISBOE”) and Scholarship Prep - Des Moines, an Iowa non-profit public benefit corporation (hereinafter “SPDM”).

II. BACKGROUND

In May 2021, Governor Reynolds signed two bills into law that affect the establishment and operations of new charter schools in Iowa. House File (HF) 813 establishes, and HF 847 amends, procedures for new charter schools effective July 1, 2021, under Iowa Code 256E. A charter school may be established by either a district school board’s founding group (i.e., School Board-State Board Model) or an independent founding group (i.e., Founding Group-State Board Model). Iowa Administrative Code 281-19 gives further guidance and direction for the establishment, general operating powers and duties, funding, performance, and oversight of charter schools.

III. RECITALS

WHEREAS, under Section 256E.5 of the Act, the ISBOE has the authority and is recognized to be an “authorizer” otherwise empowered to approve applications to establish charter schools in the State of Iowa and to enter into Charter Contract under Section 256E.6 of the Act] setting forth the terms and conditions under which SPDM is to operate and be governed; and

WHEREAS, on November 1, 2023, the Scholarship Prep - Des Moines (6-8) applied for the establishment and operation of SPDM according to 256E.5 of the Act, and

WHEREAS, the ISBOE approved this application on January 11, 2024, in compliance with Section 256E.5, et seq. of the Act, and

WHEREAS, SPDM will adhere to all state law (256E) and rule (IAC--Chapter 19) requirements as well as each component of the approved application, and

NOW, THEREFORE, in consideration of mutual promises, representations, warranties, and other considerations recited in this agreement and for other good and lawful considerations,

the receipt and sufficiency of which is hereby acknowledged, the ISBOE and the Scholarship Prep - Des Moines Charter agree to the Terms and Conditions of this contract.

IV. DURATION

This CC shall commence on the date upon which it is fully executed by the duly authorized representatives of the parties. and shall stay in effect for the five (5) year term of the charter, beginning on July 1, 2024 and ending on June 30, 2029. The 2024-2025 year constitutes a planning year, with the anticipated start date on July 1, 2025 and ending on June 30, 2029.

This CC may be reviewed annually and may be amended or augmented by addendum at any time upon mutual written agreement. Should the proposed amendment modify in any way the ISBOE's approval of the charter, such amendment must be approved by the ISBOE at a duly noticed meeting. SPDM's renewal of this CC after the expiration of the term shall be subject to renewal of SPDM's charter, and compliance with the terms of this CC, ISBOE policy, and applicable law.

This CC will automatically expire upon the expiration, revocation, non-renewal or if the SPDM voluntarily closes and closure procedures are completed as determined by ISBOE.

V. DESIGNATION OF ROLES

A. The Role of the ISBOE in Overseeing the SPDM

ISBOE or the Iowa Department of Education (IDOE) will perform oversight functions mandated by State law. SPDM will make available during any monitoring visits any and all documents and information requested by ISBOE or IDOE and that are disclosable under applicable law, in order to fulfill its oversight responsibility, either in hard copy or electronically as ISBOE or IDOE may reasonably request. SPDM will host the ISBOE or IDOE in its monitoring visits and work to be as helpful as possible as the ISBOE or IDOE fulfills its statutorily mandated monitoring duties.

B. SPDM's Responsibilities

It shall be SPDM's duty and obligation, at SPDM's expense and cost and under the directive of SPDM's governing body to manage, operate, and administer SPDM. The Parties agree that, at all times, SPDM remains accountable and subject to the oversight of the ISBOE and this CC as appropriate and consistent with applicable state and federal laws.

SPDM is expected to contract with Scholarship Prep Community Foundation (SPCF) for the use of intellectual property, programmatic structure and internal oversight, and curricular support services. SPCF will assist SPDM with implementing the Scholarship Prep program with fidelity. These services will be administered by the SPCF leadership and support team, including, but not limited to the Executive Director (ED) and Deputy Director (DD). Services that may be provided by the Executive Director include community partnership development, media relations, fundraising, and strategic planning. Services that may be provided by the Deputy Director include leadership coaching to site administration, talent acquisition, and

development. Other services that are expected to be provided by SPCF include support for teacher development and training, academic performance assessments, student and family services (especially those experiencing homelessness and the foster care system), and federal, state, local, and authorizer deadlines and requirements.

VI. AUTHORITY

The parties recognize that there are matters related to the operation of this School, and to the effective oversight of SPDM, which go beyond the provisions included in SPDM's Charter. ISBOE also acknowledges that the general operation of SPDM is appropriately carried out by the faculty and staff of SPDM. This CC is intended to address those matters that may not have been covered in the charter application. Further, this CC is intended to outline the parties' agreements governing the authority of their respective fiscal and administrative responsibilities and their legal relationships.

VII. DUTIES OF THE GOVERNING BOARD

The SPDM Board will be responsible for the governance of SPDM and be responsible to the ISBOE or IDOE for its success and oversight. The Board of Directors will be fully responsible for the operation and fiscal affairs of SPDM including but not limited to the following:

- A. Contract with SPCF to provide operational and programmatic support, use of Scholarship Prep intellectual property, and establish sole membership;
- B. Promote, guard and guide the vision and mission of SPDM;
- C. Ensure SPDM meets its mission and goals;
- D. Approve all contractual agreements and expenditures, as defined in the Fiscal Policies and Procedures Manual;
- E. Approve and monitor SPDM's annual budget, budget revisions, and monthly cash flow statements;
- F. Act as a fiscal agent. This includes but is not limited to the receipt of funds for the operation of SPDM in accordance with applicable laws and the receipt of grants and donations consistent with the mission of SPDM;
- G. Contract with an external independent auditor to produce an annual financial audit according to generally accepted accounting practices;
- H. Establish operational committees as needed;
- I. Participate in fundraising to support SPDM;
- J. Monitor student achievement to ensure progress toward fulfillment of SPDM's mission;
- K. Engage in ongoing strategic planning;
- L. Approve the schedule of Board meetings;

- M. Participate in the dispute resolution procedure and complaint procedures when necessary; and
- N. Approve annual independent fiscal audit and performance report.

The Board may initiate and carry on any program or activity or may otherwise act in a manner which is not in conflict with or inconsistent with or preempted by any law and which are not in conflict with this charter or the purposes for which schools are established.

The Board may execute any powers delegated by law to it and shall discharge any duty imposed by law upon it and may delegate to an employee of SPDM any of those duties with the exception of budget approval or revision, approval of the fiscal audit and performance report, the adoption of Board policies, or any other duty that may not be delegated under applicable laws. The Board however, will retain ultimate responsibility over the performance of those powers or duties so delegated. Such delegation will:

- A. Be in writing;
- B. Specify the entity designated;
- C. Describe in specific terms the authority of the Board of Directors being delegated, any conditions on the delegated authority or its exercise and the beginning and ending dates of the delegation; and
- D. Require an affirmative vote of a majority of Board members.

In compliance with the Brown Act, all SPDM Board of Directors meeting agendas will be posted on SPDM's website concurrent with the physical posting of the agenda. All approved meeting minutes will be posted on SPDM's website. SPDM agrees to comply with all provisions of the Brown Act, including any jurisdictional limitations.

VIII. DUTIES OF THE SPDM STAFF

The Principal will be responsible for the implementation and execution of the day to-day program with support and direction from SPCF. The SPDM Principal will work closely with SPCF to ensure that board members fully support SPDM's mission, culture, and goals.

Along with the Principal, the responsibilities of the SPDM staff include, but will not be limited to the following:

- A. Fiscal Controls: SPDM will develop and maintain internal fiscal control policies governing all financial activities. Prior to opening (or as policies are revised), a copy of SPDM's internal fiscal control policies and procedures approved by SPDM's governing board can be provided to ISBOE. Such policies and procedures are subject to review during monitoring by the ISBOE. SPDM will draft and adopt through a transparent, open and public process, policies, procedures and protocols to ensure that Average Daily Attendance (ADA) funding generated by students of SPDM would be protected against commingling and/or inappropriate or unsecured lending or other non-School purposes and how conflicts of interest would be avoided in any transaction between other entities.

- B. Management Contracts: SPDM shall provide to ISBOE a copy of any and all contracts it (or its Nonprofit) has entered into with SPCF to operate or assist in operating the SPDM. SPDM shall notify ISBOE, in writing within 5 business days, of any revisions, amendments, or additions to such agreements.
- C. Criminal Records Summaries: It is expected that all employees of SPDM, parent volunteers who will be performing services that are not under the direct supervision of a certificated teacher, and onsite vendors having unsupervised contact with students, will submit to background checks and fingerprinting in accordance with State Law/Education Code. SPDM will maintain records and provide to ISBOE, if requested.
- D. Teacher Credentials and Teacher Requirements: SPDM will maintain documentation on file of its teachers' credentials.
- E. Facilities Agreement: Prior to opening for students, SPDM will provide executed leases. Prior to commencing instruction, SPDM shall provide ISBOE proof that a Certificate of Occupancy, applicable Fire Marshal Clearance, and/or signed Building Permit for each school site has been obtained, as applicable.
- F. Average Daily Attendance (ADA) reporting: SPDM will develop an attendance-reporting calendar and maintain an attendance system to record and account for student attendance and ADA, which meets the requirements of the law. SPDM shall make available for ISBOE review and audit of all supporting attendance documents, including approved weekly site-based attendance sheets, and evidence of contact made with parents or guardians when students are absent from school, e.g. parent contact logs, absence notes, phone logs, etc., as requested.
- G. Recruitment and Enrollment: SPDM will maintain on its website instructions for applying and information on the public random drawing and enrollment processes. Any procedures used to verify student residency will comply with State and Federal law, and will not discriminate against students or prospective students based on nationality or national origin.
- H. Accountability for Academic Performance: SPDM's academic performance shall be aligned with the Iowa State Accountability System and based on criteria set by the ISBOE.
- I. Budget and Finance: For purposes of fiscal monitoring and oversight, "charter revenues" are to include all transactions and sources that exist and that are used to ensure the solvency of SPDM using the IDOE's defined chart of accounts.

As required, SPDM shall prepare and submit the following reports (with supporting assumptions and comments) to the ISBOE each year in compliance with State law:

- J. Audit: The annual independent audit of SPDM shall be performed. Any findings, recommendations, or deficiencies shall be reported to the ISBOE and resolved pursuant to the terms of the charter. SPDM shall immediately forward a copy of the audit to the ISBOE upon receipt of the final audit findings in accordance with state timelines.
- K. Annual Financial Reports: Annual Financial Reports are due to the IDOE by September 15th each year.

- L. Annual Report: SPDM shall prepare and file an annual report with the IDOE. The IDOE shall prescribe by rule the required contents of the report, but each such report shall include information regarding student achievement, including annual academic growth and proficiency, graduation rates, and financial performance and sustainability. The reports are public records, and the examination, publication, and dissemination of the reports are governed by the provisions of Iowa Code chapter 22. The annual report is due to the IDOE October 1 and shall include data for the prior school year. Required content includes:
- 1.SPDM’s mission statement, including a vision statement and goals, as well as data measuring goal attainment.
 - 2.Student demographics, disaggregated by grade level and protected characteristics.
 - 3.Attendance statistics and dropout rate (average daily attendance, dropout rate, student mobility).
 - 4.Student achievement, including annual academic growth and proficiency, including Iowa statewide assessment of student progress (ISASP) data, other assessment data, and aggregate assessment test scores.
 - 5.Financial performance, including projections of financial stability.
 - 6.The number and qualifications of teachers and administrators.
 - 7.Sustainability data, including enrollment trends, staff satisfaction, and parent and student satisfaction.

IX. GENERAL OPERATING POWERS AND DUTIES

In order to fulfill SPDM’s public purpose, SPDM shall be organized as a nonprofit education organization.

- A. Operating powers: SPDM shall have all the powers necessary for carrying out the terms of the SPDM contract including but not limited to the following, as applicable:
- a. Receive and expend funds for SPDM purposes.
 - b. Secure appropriate insurance and enter into contracts and leases.
 - c. Contract with an education service provider for the management and operation of SPDM so long as the governing board retains oversight authority over SPDM.
 - d. Incur debt in anticipation of the receipt of public or private funds.
 - e. Pledge, assign, or encumber SPDM’s assets to be used as collateral for loans or extensions of credit.
 - f. Solicit and accept gifts or grants for SPDM purposes unless otherwise prohibited by law or by the terms of SPDM’s contract.
 - g. Acquire from public or private sources real property for use as a charter school or a facility directly related to the operations of SPDM.
 - h. Sue and be sued in SPDM’s own name.

- i. Operate an education program that may be offered by any noncharter public school or school district.
- B. Exemptions: SPDM is exempt from all state statutes and rules and any local rule, regulation, or policy, applicable to a noncharter school, except that SPDM shall do all of the following:
- a. Meet all applicable federal, state, and local health and safety requirements (including but not limited to mandatory reporting of child abuse under Iowa Code section 232.69, investigation of abuse by school employees under 281—Chapter 102, and seclusion and restraint under 281—Chapter 103) and laws prohibiting discrimination on the basis of race, creed, color, sex, sexual orientation, gender identity, national origin, religion, ancestry, or disability. If approved under Iowa Code section 256E.4 and rule 281—19.7(256E), SPDM shall be subject to any court-ordered desegregation in effect for the school district at the time the SPDM application is approved, unless otherwise specifically provided for in the desegregation order.
 - b. Operate as a nonsectarian, nonreligious school.
 - c. Be free of tuition and application fees to Iowa resident students between the ages of 5 and 21 years.
 - d. Be subject to and comply with Iowa Code chapters 216 and 216A relating to civil and human rights.
 - e. Provide special education services in accordance with Iowa Code chapter 256B.
 - f. Be subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit shall be consistent with the requirements of Iowa Code sections 11.6, 11.14, 11.19, and 279.29, and Iowa Code section 256.9(20), except to the extent deviations are necessary because of the program at SPDM. The IDOE, the auditor of state, or the legislative services agency may conduct financial, program, or compliance audits.
 - g. Be subject to and comply with the requirements of Iowa Code section 256.7(21) and the educational standards of Iowa Code section 256.11, unless specifically waived by the ISBOE during the application process.
 - h. Provide instruction for at least the number of days or hours required by Iowa Code section 279.10(1), unless specifically waived by the ISBOE as part of the application process.
 - i. Comply with the requirements of this chapter.
 - j. Conduct governing board meetings in a manner that is open to the public. The governing board shall be a governmental body for purposes of Iowa Code chapters 21 and 22. All records, documents, and electronic data of SPDM and of the governing board shall be public records and shall be subject to the provisions of Iowa Code chapter 22 relating to the examination of public records.

- C. Teachers: SPDM shall employ or contract with teachers, as defined in Iowa Code section 272.1, who hold valid licenses with an endorsement for the type of instruction or service for which the teachers are employed or under contract.
- D. Administrators: The chief administrator of SPDM shall be one of the following:
 - a. An administrator who holds a valid license under Iowa Code chapter 272.
 - b. A teacher who holds a valid license under Iowa Code chapter 272.
 - c. An individual who holds an authorization to be a charter school administrator issued by the ISBOE examiners under Iowa Code chapter 272.
- E. Admissions: SPDM shall not discriminate in its student admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, or status as a person with a disability. However, SPDM may limit admission to students who are within a particular range of ages or grade levels or on any other basis that would be legal if initiated by a school district. Enrollment priority shall be given to the siblings of students enrolled in SPDM.
- F. Enrollment: SPDM shall enroll an eligible student who submits a timely application unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students must be accepted by lot. Upon enrollment of an eligible student, SPDM shall notify the public school district of residence not later than March 1 of the preceding school year.
- G. Governing board:
 - a. SPDM's governing board shall be required to adopt a conflict of interest policy and code of ethics for all board members and employees.
 - b. SPDM's governing board shall adopt a policy regarding the hiring of family members to avoid nepotism in hiring and supervision. The policy shall include but is not limited to a disclosure to the governing board of potential nepotism in hiring and supervision. Any person subject to the policy with a conflict shall not be involved in the hiring decision or supervision of a potential employee.
 - c. Individuals compensated by an education service provider are prohibited from serving as a voting member on the governing board of SPDM unless the state board waives such prohibition.
 - d. If SPDM is operated by an education service provider, the governing board of SPDM shall have access to all records of the education service provider that are necessary to evaluate any provision of the contract or evaluate the education service provider's performance under the contract.
 - e. A majority of the membership of SPDM's governing board shall be residents of the geographic area served by SPDM. Each member of the governing board who is not a resident of the geographic area served by SPDM must be a resident of this state.
 - f. The governing board shall post SPDM's annual budget on the SPDM Internet site for public viewing within ten days of approval of the budget. Each posted budget shall continue to be accessible for public viewing on the Internet site for all subsequent budget years.

X. PERFORMANCE FRAMEWORK

A. Annual Performance Targets

The Annual Performance Targets below are based on Brody Middle School, which is within the region SPDM will be located.

Performance Indicator	Measure	Annual Target
Assessment Participation – English Language Arts	Percent of student participation on ISASP and/or DLM assessment	100%
Assessment Participation – Mathematics	Percent of student participation on ISASP and/or DLM assessment	100%
Average School Achievement – English Language Arts	Median student score on ISASP and/or DLM assessment	47% or higher
Average School Achievement – Mathematics	Median student score on ISASP and/or DLM assessment	46% or higher
Student Academic Proficiency – English Language Arts	Percent of student proficient/advanced proficient on ISASP and/or DLM assessment	51% or higher
Student Academic Proficiency – Mathematics	Percent of student proficient/advanced proficient on ISASP and/or DLM assessment	46% or higher
Achievement gaps in Student Academic Proficiency - English Language Arts	Percent of student proficient/advanced proficient on ISASP and/or DLM assessment by: <ul style="list-style-type: none"> ● gender ● race/ethnicity ● poverty ● special education status ● limited English ● gifted 	Achievement gaps in English Language Arts proficiency will decrease by at least 1% annually between the highest and lowest performing subgroups.

Achievement gaps in Student Academic Proficiency - Mathematics	Percent of student proficient/advanced proficient on ISASP and/or DLM assessment by: <ul style="list-style-type: none"> ● gender ● race/ethnicity ● poverty ● special education status ● limited English ● gifted 	Achievement gaps in Mathematics proficiency will decrease by at least 1% annually between the highest and lowest performing subgroups.
Student Academic Growth - English Language Arts	ISASP and/or DLM assessment	35% or higher
Student Academic Growth - Mathematics	ISASP and/or DLM assessment	35% or higher
Achievement gaps in Student Academic Growth - English Language Arts	ISASP and/or DLM assessment	Achievement gaps in English Language Arts growth will decrease by at least 1% annually between the highest and lowest performing subgroups.
Achievement gaps in Student Academic Growth - Mathematics	ISASP and/or DLM assessment	Achievement gaps in Mathematics growth will decrease by at least 1% annually between the highest and lowest performing subgroups.
Attendance	Percent of students chronically absent	SPDM will maintain chronically absent percentage of at least 1% better than local school districts and/or comparison schools on an annual basis.
Conditions for Learning data	Conditions for Learning composite score	50% or greater
Enrollment attrition and mobility	Attendance and enrollment records and reports.	SPDM will maintain an enrollment attrition and mobility percentage of at least 1% better than local school districts and/or comparison schools on an annual basis.
Post-secondary readiness for	Postsecondary readiness index	NA

students in grades 9-12	score	
Financial performance and sustainability	<ul style="list-style-type: none"> ● Revenues less expenditures. ● Projections vs actuals ● Annual audit 	SPDM will end each fiscal year with a balanced budget (greater revenues than expenditures) by 3% or greater with no audit findings.
Governing board performance and stewardship, including compliance with all applicable laws, regulations, and terms of the charter contract	SPDM citations (if any) logged into Consolidated Accountability and Support Application (CASA)	SPDM board will meet or exceed the minimum requirements for board performance and stewardship based on the CASA.
On track for high school graduation for college entrance (<i>Create A Collegiate-Bound Culture</i>)	5 th /8 th grade promotion rate	100%
Enrollment percentage of homeless and/or foster youth	Attendance and enrollment reports via the student information system	Homeless/foster youth enrollment will increase by at least 1% each year OR will be at or above 5% greater than the local school district.

We will include any other measure as requested by the ISBOE in the performance framework, including but not limited to measures of operational quality - such as staffing/vacancies, retention, facilities and so on.

XI. OVERSIGHT

- A. **Monitoring:** The ISBOE shall monitor the performance and compliance of SPDM, including collecting and analyzing data according to the SPDM contract in order to meet the requirements of this chapter. Such oversight may include inquiries and investigation of SPDM so long as the activities are consistent with the intent of this chapter, adhere to the terms of the SPDM contract, and do not unduly inhibit the autonomy granted to SPDM. Any performance report resulting from an inquiry or investigation under this rule shall, upon conclusion of such action, be included in the annual report required under Iowa Code section 256E.12.
- B. **Annual report:** As part of the SPDM contract, SPDM shall submit an annual report to assist the ISBOE in evaluating SPDM's performance and compliance with the performance framework.
- C. **Noncompliance or unsatisfactory performance:** If SPDM's performance under the contract or compliance with applicable laws or rules is unsatisfactory, the ISBOE shall

notify SPDM of the perceived problem and provide reasonable opportunity for SPDM to remedy the problem, unless the problem warrants revocation, in which case the revocation provisions of this rule apply.

- D. Corrective actions and sanctions: The ISBOE may take appropriate corrective actions or impose sanctions, other than revocation, in response to deficiencies in SPDM's performance or compliance with applicable laws and rules. Such actions or sanctions may include requiring SPDM to develop and execute a corrective action plan within a specified time period.
- E. Renewal: SPDM's contract may be renewed for periods of time not to exceed an additional five years.
- F. Charter school performance report: Annually, by June 30, the ISBOE shall issue a charter school performance report and charter school contract renewal application guidance to SPDM if SPDM's charter school contract will expire during the following school budget year. The performance report shall summarize SPDM's performance record to date based on the data required by SPDM's contract and by this chapter and shall identify concerns that may jeopardize renewal of SPDM's contract if not remedied. SPDM shall have 60 days to respond to the performance report and submit any corrections or clarifications for the report.
- G. Renewal application guidance: The renewal application guidance shall, at a minimum, include the criteria that will be used when assessing SPDM's contract renewal decisions and provide an opportunity for SPDM to:
 - a. Present additional evidence beyond the data contained in the performance report.
 - b. Describe improvements undertaken or planned for SPDM.
 - c. Describe SPDM's plans, including any proposed modifications, for the next SPDM contract term.
- H. Application deadlines: No later than October 1, the governing board of SPDM when seeking renewal shall submit a renewal application to the ISBOE pursuant to the renewal application guidance. A renewal or denial shall be approved by resolution of the ISBOE within 60 days following the filing of the renewal application.
- I. State board (ISBOE) responsibilities: Unless eligible for expedited renewal under subrule 19.13(13), when reviewing SPDM's contract renewal application, the ISBOE shall do all of the following:
 - a. Use evidence of SPDM's performance over the term of SPDM contract in accordance with the applicable performance framework.
 - b. Ensure that data used in making renewal decisions is available to SPDM and the public.

- c. Provide a report summarizing the evidence that served as a basis for the decision.
- J. Revocation or nonrenewal: SPDM’s contract may be revoked at any time or not renewed if the ISBOE determines that SPDM did any of the following:
 - a. Committed a material violation of any of the terms, conditions, standards, or procedures required under the SPDM contract or this chapter.
 - b. Failed to meet or make sufficient progress toward the performance expectations set forth in the SPDM contract.
 - c. Failed to meet generally accepted standards of fiscal management.
 - d. Violated a provision of law from which SPDM was not exempted.
- K. Contract revocation and nonrenewal standards and procedures: The ISBOE shall develop charter school contract revocation and nonrenewal standards and procedures that do all of the following:
 - a. Provide SPDM with a timely notice of the possibility of revocation or nonrenewal and of the reasons therefore.
 - b. Allow SPDM a reasonable period of time in which to prepare a response to any notice received.
 - c. Provide SPDM an opportunity to submit documents and give testimony challenging the decision to revoke SPDM contract or the decision to not renew the contract.
 - d. Allow SPDM the opportunity to hire legal representation and to call witnesses.
 - e. Permit the audio or video recording of such proceedings described in paragraphs 19.13(11)“c” and “d.”
 - f. Require a final decision to be conveyed in writing to SPDM.
- L. Reasons for revocation or nonrenewal: A decision to revoke or to not renew SPDM’s contract shall be by resolution of the ISBOE and shall clearly state the reasons for the revocation or nonrenewal.
- M. Expedited renewal: If SPDM has been evaluated and graded to be in the exceptional category on the attendance center rankings, or the highest rated category under a succeeding evaluation system, under the evaluation and grading required under Iowa Code section 256E.9(5), for the immediately preceding two school years, and SPDM is in compliance with the current SPDM contract and all provisions of this chapter, SPDM’s application renewal under subrule 19.13(8) shall be renewed for an additional period of time equal to the length of the original SPDM contract or the most recent renewal of the contract, whichever is longer, unless the ISBOE provides written notice to SPDM of the

ISBOE's rejection of the expedited renewal within 60 days of the filing of the application. The ISBOE shall not reject an expedited renewal application unless the ISBOE finds exceptional circumstances for the rejection or seeks material changes to the SPDM contract.

XII. CLOSURE

- A. Prior to any SPDM closure decision, the ISBOE shall develop a charter school closure protocol to ensure timely notice to parents and guardians, provide for the orderly transition of students and student records to new schools, and provide proper disposition of school funds, property, and assets in accordance with the requirements of this chapter. The protocol shall specify required actions and timelines and identify responsible parties for each such action.
- B. In the event of SPDM's closure, the assets of SPDM shall be used first to satisfy outstanding payroll obligations for employees of SPDM, then to creditors of SPDM, then to the public school district in which SPDM operated, if applicable, and then to the state general fund. If the assets of SPDM are insufficient to pay all obligations of SPDM, the prioritization of the distribution of assets shall be consistent with this subrule and otherwise determined by the district court.

XIII. INDEMNITY

SPDM shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the ISBOE, its officers, directors, and employees, attorneys, agents, representatives, volunteers, successors and assigns (collectively hereinafter "ISBOE and ISBOE Personnel") from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including legal costs, attorney fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against ISBOE and/or ISBOE Personnel, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, the operations or services of SPDM or any acts or errors or omissions by SPDM, its board of directors, administrators, employees, agents, representatives, volunteers, successors and assigns (collectively "SPDM"). This indemnity and hold harmless provision shall exclude actions brought by third persons against the ISBOE arising out of acts of misconduct or the sole negligence of the ISBOE.

XIV. INSURANCE

Without in any way limiting SPDM's liability pursuant to the "Indemnification" section of this CC, SPDM shall at its sole costs and expense commencing as of the date of this CC, and during the entire Term hereof, procure, pay for and keep in full force and effect the following insurance:

- A. Comprehensive or commercial general liability insurance or self-insurance with limits not less than Ten Million Dollars (\$10,000,000) each occurrence combined single limit for bodily injury and property damage (whether coverage is through primary only or primary

plus excess). If an annual aggregate applies it shall be at least twice the occurrence limit. Policy form language to include sexual abuse, molestation, sexual harassment and employment practices coverage.

- B. Comprehensive or Business Automobile Liability Insurance or self-insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage including coverage for any Owned, Non-owned and Hired Vehicles, as applicable.
- C. Workers' Compensation with statutory limits and Employer's Liability coverage with limits of not less than One Million Dollars (\$1,000,000), if applicable.
- D. Professional Liability (Errors and Omissions) Insurance or self-insurance (including employment practices coverage) with limits not less than Ten Million Dollars (\$10,000,000) each occurrence. If an annual aggregate applies it shall be at least twice the occurrence limit. Policy form language to include Educator's legal liability coverage.
- E. Property Insurance insuring real and personal property of the named insured with a blanket limit applying to all property of owned, rented, leased, or borrowed by SPDM.
- F. Commercial Crime /Faithful Performance/Fidelity Bond coverage shall be maintained by SPDM to cover all SPDM employees who handle, process, or otherwise have responsibility for SPDM funds, supplies, equipment and/or other assets. Minimum account of coverage shall be \$1,000,000 per occurrence, with no self-insured retention. The bond/policy deductible shall not exceed \$5,000.
- G. Cyber Coverage for both electronic and non-electronic data breach of \$1,000,000 per occurrence with an aggregate limit of not less than \$2,000,000.
- H. If any policies are written on a claims-made form, SPDM agrees to maintain such insurance continuously in force for three years following termination or revocation of the Charter or extend the period for reporting claims for three years following the termination of revocation of the Charter to the effect that occurrences which take place during this shall be insured.
- I. SPDM shall be responsible, at its sole expense, for separately insuring its Real and Personal property.
- J. If required, SPDM shall add the ISBOE as an additional covered party/named insured on all of its insurance policies and provide endorsements reflecting additional insured ongoing and completed operations status to the ISBOE. SPDM shall be solely responsible for payment of any deductible/self-insured retention on any policies issued pursuant to this Agreement.
- K. SPDM waives all rights against ISBOE, and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by Commercial General Liability, Commercial Umbrella Liability, Business Auto Liability or Workers' Compensation and Employers Liability insurance maintained per requirements stated above.

XV. PERSONNEL DATA/CREDENTIAL DATA

SPDM shall provide the ISBOE on an annual basis teacher credentials, a list of teaching/class assignment for each teacher.

XVI. LITIGATION

SPDM shall notify the ISBOE of any actual litigation from any party against SPDM or any employee.

XVII. SCHOOL NAME

SPDM shall be known as Scholarship Prep - Des Moines. SPDM may not change its name, nor operate under any other name, without the prior express written approval of the ISBOE.

XVIII. CRIMINAL BACKGROUND CHECKS AND TUBERCULOSIS CLEARANCE

A. Criminal Background Checks: SPDM is required to comply with the criminal background check provisions of Iowa State law and Education Code. SPDM will conduct criminal background checks with the Iowa Department of Justice (CDOJ) and the FBI for all SPDM employees, agents, and volunteers, and SPDM will certify that no employees, agents, or volunteers who have been convicted of serious or violent felonies as specified, will have contact with students.

SPDM will be responsible for the costs of the criminal background checks. As certification of its compliance with this Section, SPDM will complete and maintain criminal background check/tuberculosis clearance certification forms.

B. Tuberculosis Clearance

SPDM agrees that all of its employees, agents or volunteers whose functions require frequent or prolonged contact with students will complete tuberculosis clearance as required by Iowa Education Code and applicable Health and Safety Codes.

XIX. CONSTRUCTION AND SEVERABILITY

A. Amendments

This CC may be amended or modified, in whole or in part, only by a negotiated, signed agreement by the ISBOE. If however, the requested amendment or modification of this CC differs from the Board approval, such amendment or modification must be approved by the Board at a duly noticed meeting.

B. Severability

If any provision or any part of this agreement is, for any reason, held to be invalid or unenforceable or contrary to law, statute and/or ordinance, the remainder of this agreement shall not be affected thereby and shall remain valid and fully enforceable.

C. Notifications

All notices, requests, and other communications under this agreement shall be in writing and mailed to the proper addresses as follows:

To Iowa Department of Education at:
ATTN: Janet Boyd
Grimes State Office Building
400 E. 14 Street
Des Moines, IA 50319

To SPDM at:
Jason Watts
Scholarship Prep
770 The City Dr. South, Ste. 4200
Orange, CA 92868

XX. NOTICE OF VIOLATION, OPPORTUNITY TO REMEDY AND REVOCATION

ISBOE may provide notice of violation, opportunity to remedy, and revoke the charter as set forth in Education Code, its implementing Regulations, and ISBOE Policy.

This CC contains the entire agreement of the parties with respect to the matters covered hereby, and supersedes any oral or written understandings, agreement or agreements between the parties with respect to the subject matter of this CC. No person or party is authorized to make any representation or warranties except as set forth herein, and no agreement, statement, representation or promise by any party hereto which is not contained herein shall be valid or binding.

IN WITNESS WHEREOF, the parties to this agreement have duly executed it on the day and year set forth below:

By: _____ Date: _____
Iowa State Board of Education

Jason Watts, for
Scholarship Prep

_____ Date: _____