



## Tennessee Achievement School District Charter Agreement

This Charter Agreement (Agreement) is entered into by and between the Achievement School District (ASD) and **INSERT OPERATOR NAME HERE**, a Tennessee Non-Profit Public Benefit Corporation (Operator). This Agreement may be assigned by the Operator to a wholly-owned Tennessee nonprofit limited liability company. This Agreement is subject to Tennessee Code Annotated § 49-1-614 and the Tennessee Public Charter Schools Act, T.C.A. § 49-13-101 et. seq.

### Definitions

The following are definitions of terms used in this Agreement as defined in State law.<sup>1</sup>

**Achievement School District (ASD)** – An organizational unit of the department of education, established by the commissioner for the purpose of providing oversight for the operation of the total program for individual schools or LEAs.<sup>2</sup> The ASD may contract directly with individuals or non-profit corporations to manage schools, or authorize charter schools to serve students zoned to attend ASD schools.

**Application** – The document submitted by the Operator in response to a request for proposals or qualifications to provide educational services to students zoned to attend ASD schools.

**Charter School Management Organization (CMO)** – A non-profit entity that operates multiple charter schools at least one (1) of which is in Tennessee.

**Local Education Agency (LEA)** – Any county, city or special school district, unified school district, school district of any metropolitan form of government or any other Tennessee school system in which schools under the jurisdiction of the ASD are located.

**Memorandum of Understanding (MOU)** – An agreement secondary to this Agreement, specifying further details of the working relationship between the ASD, the Operator and/or an LEA or LEAs.

**Operator** – In this Agreement, “Operator” refers to either the sponsor of an application to receive a charter from the ASD; the governing body of an approved charter school or CMO; or an individual, governmental entity or non-profit entity entering a contract with the ASD to “manage the day-to-day operations of a school or schools within the ASD.”

#### 1. **Grant of Charter**

The ASD hereby grants a charter to the Operator for the management of **INSERT OPERATOR NAME HERE** for ten (10) consecutive school years, beginning with the **INSERT SCHOOL YEAR HERE** school year. In accordance with the terms of the Operator’s Application, the Operator will operate **INSERT GRADES SERVED HERE** grades during the 2015-16 academic year. The Operator is expected to

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<sup>1</sup> Pursuant to Tennessee TCA § 49-13-104. All Tennessee laws may be accessed online at <http://www.lexisnexis.com/hottopics/tncode/>.

<sup>2</sup> Pursuant to Tennessee §§ 49-1-602, 614.



serve ASD-eligible students who are zoned to attend **INSERT OPERATOR NAME – INSERT SCHOOL NAME HERE** in the applicable grades for which there is zoned attendance in any given year, up to the maximum number identified in the Operator’s ASD application and subject to Section 3.3 of the Agreement below. Enrollment in each year of operation shall be no less than 95% of projected enrollment reflected in the annual Board-adopted budget that the Operator submits to the ASD. An Operator who does not meet or exceed enrollment projections of students may be subject to further review by the ASD.

The ASD shall remain the chartering authority through the duration of this Agreement and the school shall remain under the authority of the ASD. Operator will remain in good standing if school or program performance meets key threshold and performance criteria set forth in the School Performance Framework (**Exhibit 4**).

Upon expiration of this Agreement, or sooner, provided the conditions for transfer set forth in state law are met, the school shall return to the LEA that operated the school prior to its inclusion in the ASD, subject to the applicable state statutes<sup>3</sup>. The Operator will also be given the opportunity to renew the charter agreement with the ASD or seek a new charter agreement with any other charter authorizer allowed under state law<sup>4</sup>.

Pursuant to T.C.A. § 49-13-121, the initial term of the charter shall commence on the effective date and end on the thirtieth (30th) day of June following the tenth (10th) anniversary of the effective date.

## 2. **Roles and Responsibilities**

The ASD shall ensure that the charter school is governed and operated as set forth in the Application and in accordance with this Agreement and all other applicable laws and regulations. The Operator shall be accountable to the ASD for ensuring the implementation of the terms and conditions of this Agreement.

During the term of the charter, the ASD shall retain the right to review the academic, operational and of the Operator. The ASD plans to conduct semi-annual performance reviews, which include desktop and scheduled on-site reviews of accountability and federal grant management, student access and equity compliance, and operations. If the criteria are not met, the ASD retains the right to review any and all written material and data as well as conduct site visits as frequently as necessary until all criteria are met. The ASD agrees to provide a minimum of five days’ notice of any site visit and will allow a minimum of five business days for an Operator to provide requested documentation. Decisions to revoke or renew the charter shall be made pursuant to this Agreement and state law<sup>5</sup>.

The Operator shall be the first avenue for response in case of any grievances filed against the charter school or its employees, pursuant to the ASD’s Parent and Community Grievance Resolution Policy in its Student Handbook (**Exhibit 5**) and the Operator’s parent and community complaint procedure.

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<sup>3</sup> T.C.A. § 49-1-614 [link]

<sup>4</sup> T.C.A. § 49-13-121

<sup>5</sup> T.C.A. § 49-13-122



The Operator will establish policies and procedures for receiving and addressing grievances directed toward the Operator or its employees and will make those policies available to students, parents/guardians, school employees, the ASD and any other persons who request them. Grievances that are not resolved by the Operator, or a pattern of serious grievances may be considered in any application for renewal of this Agreement or any action to revoke the charter.

The Operator will use reasonable, good faith efforts to educate children and demonstrate progress in achieving the goals outlined for all ASD schools and those goals the Operator established in its application. The goals and performance expectations of all Operators authorized by the ASD are detailed in the School Performance Framework (**Exhibit 4**) attached to this Agreement.

### **3. General Terms and Conditions of the Charter Agreement**

#### **3.1 The Application**

The application in response to the Request for Proposal (application), submitted **INSERT DATE OF SUBMISSION HERE**, attached as (**Exhibit 1**), sets forth the goals, standards, and general operational policies relating to the management of the Operator’s charter school. The Application is incorporated by reference to this Agreement. To the extent that the Operator desires to implement specific policies, procedures, or other specific terms of operation that supplement those set forth in the Application, they shall be permitted to implement such policies, procedures, and specific terms of operation, provided that such policies, procedures, and terms of operation (i) are not otherwise prohibited or circumscribed by applicable law or this Agreement, and (ii) are not materially different from those set forth in the Application.

To the extent there is a conflict between the terms of this Agreement and the Application, the terms of this Agreement shall govern.

Material changes to the Application must be reviewed by the ASD prior to implementation. The ASD agrees to provide a written response to the Operator within fourteen (14) calendar days. Changes that are almost always material and which require review and approval include but are not limited to:

- adding grades not included in this Agreement;
- increased or decreased enrollment constituting 15% of the school’s student population or 50 students, *whichever is less*;
- changes to curriculum or pedagogical approach that are inconsistent with the Application; or
- changes to operational specifications in the Application including but not limited to transportation or facility plans.

#### **3.2 Funding**

##### **3.2.1 State and Local Funds**

- a. Distribution of Funds. The ASD shall allocate and pay one hundred percent (100%) of state and local Basic Education Program (BEP) funds to the Operator on a per pupil basis as



provided in T.C.A. § 49-13-112 and as calculated by the formula provided by the Tennessee State Department of Education. Beginning with distributions in the 2015-16 school year, the ASD will withhold \$200 per pupil from the BEP funds distributed to the Operator. One-tenth of that amount (\$20) per pupil will be withheld from each of the ten BEP distributions noted in Section 3.2.1, based on each school's ADM in TDOE's EIS on the business day closest to the 6<sup>th</sup> day of each month in which payments are distributed. The ASD will, by December 1 each year, provide an itemized accounting of its revenue and expenses, including the allocation of the authorizer fee. The ASD will not increase the authorizer fee more often than once every two years.

- b. Allocation of Funds Based on ADM. New charter schools or charter schools adding a new grade shall be funded based on anticipated enrollment in the charter agreement, as amended and submitted to the Office of Portfolio Management for initial budgeting purposes no later than April 15 of each year. Initial payments will be based on this anticipated enrollment, which must be agreed upon by the ASD and the Operator and reflected in the Operator's Board-approved budget for the upcoming fiscal year by June 1 each year. The Charter School's state and local funds will be allocated based on the current year's Average Daily Membership (ADM) as reported in TDOE's EIS System as of October 1, and consistent with TCA 49-3-351.
- c. Funding Timing. The ASD shall allocate and distribute one-tenth of state and local funds to the Operator by the 15<sup>th</sup> of the month in August, September, October, November, December, January, February, March, April, and the 30<sup>th</sup> of June. Each state and local payment from October through April and the final payment in June is calculated based on the School's ADM in TDOE's EIS, as reported by the Operator on the business day closest to the 6<sup>th</sup> day of each month. Each payment starting in October will be reconciled to the reported ADM for the period before being released. The final (tenth) payment will not be released until the year's ADMs have been reconciled.
- d. Use of Funds. All BEP funds distributed to the Operator shall be used for the School authorized under this Agreement subject to the terms and conditions of section 3.2.3(f) below. The Operator shall not charge tuition for any student for any and all activities that take place during the official school day. The Operator may charge for preschool and/or before-and-after-school programs, unless prohibited under applicable law.
- e. Fees for Services. Any educational or operational services the ASD provides for a fee shall be specified in a separate agreement between the charter school and the ASD. Fees for services provided to the Operator by the ASD shall be deducted from the BEP payments provided to the Operator.

### 3.2.2 Categorical Funds

- a. Eligibility. Each year, the ASD shall provide to the Operator the school's proportionate share of applicable federal Elementary and Secondary Education Act funding (e.g. Title I, Title II,



Title III, Title IV or Title V) and other categorical grants received by the ASD for which the Operator's school is eligible. Schools are eligible for such funds upon approval of their plans for such funds either by the ASD or the Tennessee Department of Education as required.

- b. Fund Distribution & Reporting. Funds shall be distributed on a documented expenditure reimbursement basis with the required documentation. <sup>6</sup> The Operator shall submit grant reimbursement reports to the ASD at least quarterly and no more frequently than monthly. The ASD shall distribute to the Operator categorical reimbursement funds within 7 days of the ASD receiving funds from the State.
- c. Use of Funds. The Operator shall comply with all federal regulations tied to such categorical funds.

### 3.2.3 Financial Management & Operations

- a. Fiscal Year. The fiscal year for the Operator's school shall begin on July 1 of each year and end on June 30 of the subsequent year.
- b. Financial Management & Records. At the end of the fiscal year, the Operator shall prepare the school's annual financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations (GAAP). During the fiscal year, the Operator shall operate the school in accordance with GAAP, the cash basis of accounting, or any other basis of accounting, provided that the school's accounting methods allow it to prepare reports required by the Achievement School District (ASD), the Tennessee Department of Education (TDOE), and any other grantors.
- c. Records. The Operator shall record and report the school's financial information during the fiscal year and at the end of the year using the Tennessee Uniform Chart of Accounts (TN COA). The Operator will have the option of initially recording transactions using their National Chart of Accounts and then posting summary transactions using the TN COA. The Operator shall record all financial transactions in general, appropriations, and revenue and expenditures records. Appropriate entries from the adopted budgets shall be made in the records for the respective funds. Separate accounts shall be maintained for each of the funds.
- d. Audit. The Operator shall undergo an independent financial audit<sup>7</sup>. The audit shall be furnished to the ASD's Chief Financial Officer, the Commissioner of Education, and the Comptroller of the Treasury, as approved by the Operator's governing board by December 31 of each year. In addition, the Operator shall transmit the final trial balance to the ASD using the Tennessee Uniform Chart of Accounts with the submission of the annual independent financial audit. The Operator will pay for the audit. If such audit is not received by December 31 of each year, it shall be considered a material breach of this Agreement, which the

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<sup>6</sup> 34 C.F.R. § 80.21.

<sup>7</sup> Conducted in accordance with TN 49-13-111(m) and 49-13-127(c).



Operator shall have 15 days, or such other time as the Parties may agree, to cure. The financial audit shall include, without limitation:

- i. An opinion on the financial statements (and Supplementary Schedule of Expenditures of Federal Awards, if applicable)
  - ii. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards
  - iii. An Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133, if applicable
- e. Interim Financial Reports. The Operator shall prepare or cause to be prepared quarterly financial reports, in accordance with ASD instructions, which shall be submitted to the ASD no later than forty-five (45) calendar days after the end of each quarter and no later than sixty (60) calendar days after the end of each fiscal year. Quarterly financial reports are not required to be submitted in the LEA Chart of Accounts format.
- f. CMO/EMO Fees. Tennessee's Basic Education Program (BEP) allows local education agencies (LEAs) and the ASD significant discretion in spending. Tennessee law specifically prohibits a charter school operator from contracting with for-profit entities for the management or operation of the school<sup>8</sup>. Beyond that requirement, however, school and district operators determine how to spend BEP funds. BEP funds may be spent, for example, in an LEA or within the ASD for shared overhead for direct-run schools. Charter operators may pay similar fees to local or out-of-state non-profit charter management organizations or to a sponsoring non-profit entity. In order to ensure compliance with the law and to help the ASD study and share financial practices that improve student achievement, ASD transformation partners and charter operators must include in their financial reports a description of fees paid to charter, education management, or related non-profit organizations, showing the name of the organization, amount of fees paid, and the purpose for which the fees were paid.
- g. Budget. The Operator shall prepare and provide to the ASD a draft of the school's annual budget for the upcoming fiscal year by no later than May 1. The Operator shall adopt and provide a copy of its final annual budget for the upcoming fiscal year by no later than June 1.
- h. Financial Policies. The Operator shall use and follow a Financial Policies and Procedures Handbook, the Tennessee Uniform Chart of Accounts, and appropriate use of account codes and functional codes, including grant codes using templates provided by the ASD as mandated by the TDE.
- i. Fund Compliance. In the event that the Operator accepts state or federal funds, the Operator shall adhere to state and federal guidelines and regulations regarding the appropriate budgeting, expenditure, accounting and reporting for such funds;

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<sup>8</sup> T.C.A. § 49-13-124(a)(1)



ACHIEVEMENT  
SCHOOL DISTRICT

- j. Dissolution. Upon termination of this Agreement for any reason by the ASD, upon expiration of the Agreement, or if a school for which part of this contract applies should be closed or cease operations or otherwise dissolve, the ASD will supervise and have authority to conduct the business activities related to the closure or phase-out and other affairs of the school; provided, however, that in doing so the ASD will not be responsible for and will not assume any liability incurred by the school beyond funds allocated to it by the ASD under this Agreement. The Operator's personnel and its governing body shall cooperate fully with any activity related to school closure or phase out.
- k. Disposition of School's Assets upon Termination or Dissolution. Upon termination of this Agreement for any reason or if a school which is a part of this Agreement should be closed or cease operations or otherwise dissolve, then, at the sole discretion of the ASD, any assets funded through the ASD and owned by the Operator on behalf of the ASD-authorized school or schools that will no longer be operated by the Operator, including tangible, intangible, and real property, remaining after paying the Operator's debts and obligations and not requiring return or transfer to donors or grantors, will become the property of the ASD.
- l. Insurance. Directors & Officers insurance and professional liability insurance for combined single-limit coverage of not less than \$5,000,000.00 per occurrence. Crime exposures to be covered include:
  - 1. Employee theft
  - 2. Money and securities while on premises or in transit
  - 3. Forgery
  - 4. Funds transfer fraud
  - 5. Computer fraud
  - 6. Money order and counterfeit currency fraud
  - 7. Credit card fraud
  - 8. Optional client coverage
  - 9. Coverage for investigative costs for covered losses
  - ii. Such other insurance on the Premises in such amounts and against such other insurable hazards which at the time are commonly obtained in the case of property similar to the Premises.
  - iii. In addition to the foregoing insurance, charter or contract operators shall maintain a fidelity or surety bond to cover all of the operator's employees that handle, process, or otherwise have responsibility for school funds, supplies, equipment, or other assets in amounts of not less than \$50,000.00 per occurrences.

### 3.2.4 Financial Performance Requirements

- a. Annual Audit
  - i. The annual audit will be submitted to the ASD by no later than December 31, exh of each year, related to the prior year.



- ii. The audit should express an unqualified opinion on the financial statements. A qualified audit opinion will result in an automatic review and explanation from the Operator's board.
- iii. No material weaknesses in controls should be disclosed during the audit. A material weakness will result in a potential review and explanation from the Operator's board.
- b. Financial Indicators
  - i. A prior year operating deficit by the Operator will result in a potential review and explanation from the Operator's board.
  - ii. End of year Operator current ratio of less than 1.1 will result in an automatic review and explanation from the charter school board.
  - iii. Average end of year Operator unrestricted cash balance (based on the four quarter-ending cash balances) of less than 30 days of current fiscal year operational expenses will result in an automatic review and explanation from the charter school board.
- c. Compliance Items
  - i. Reporting should be consistent with agreed timelines for the annual report/audit, the annual budget and the annual financial report (AFR).
  - ii. Quarterly financial statement submissions should be received by the ASD within the agreed timeframe.
  - iii. Revenue reimbursement reports for non-BEP funds should be submitted at least quarterly and no more frequently than monthly.
  - iv. Operator's Board of Director/Trustees must sign and submit a signed conflict of interest form annually.
  - v. Operator's board should be able to provide documented minutes and agendas from finance committee and full board meetings throughout the fiscal year, upon request.
  - vi. The annual audit will be presented, reviewed and approved at a regular board meeting.

### 3.3 Student Population and Enrollment

- a. The Operator may only serve eligible students, as defined by T.C.A. §§ 49-1-614, and § 49-13-106. The Operator is required to serve all students zoned to its school, up to the building's program capacity (85% of the building capacity) or 130% of the prior year's average daily membership (ADM), whichever is smaller. For schools phasing in, this shall be scaled based on grades served in a particular year, compared to the grades served by the LEA in the school's last year of operation prior to placement in the ASD. In SY 2015-16 only, the Operator may restrict enrollment of zoned students up to the program capacity the Operator defined in its approved charter application and enrollment projections approved by the CFO as the basis for 2015-16 ASD budgeting by May 1, 2015.





- b. If space exists after planned enrollment of zoned students, other eligible students may enroll or be included in an enrollment lottery, Pursuant to T.C.A. § 49-13-106, as reflected in [\(Exhibit 5\)](#).
- c. Once the school is at enrollment capacity, students who are zoned to attend the school shall be reassigned to a different ASD school where space is available. Students enrolled at the charter school may transfer to any other ASD schools pursuant to ASD intra-district policies, and to other LEA schools pursuant to LEA intra-district transfer policies.

### 3.4 Special Education

3.4.1 **Authorities.** Special education services, related services, and accommodations for students who are eligible under the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act (ADA), or any applicable provisions of State law, shall be provided in accordance with applicable State and federal law and this Agreement. The ASD is the local education agency (LEA) responsible for ensuring compliance with the Individuals with Disabilities Education Act (IDEA) and State special education law and regulations. **Costs for Special Education.** All costs associated with providing educational services to enrolled students with disabilities are the responsibility of the Operator. Part of the Basic Education Program (BEP) funds are generated based on special education needs of the ASD during the prior year. The ASD will make IDEA Part B funds available to schools for direct reimbursement, in accordance with ASD policy.

#### 3.4.2 Roles and Responsibilities of the Parties.

- a. The Operator assumes responsibility for the identification of students in need of special education services, provision of services, development and implementation of individualized education programs (IEPs), etc. for students identified as eligible for special education services. The Operator shall have a qualified special education coordinator who will be responsible for monitoring individual case management of all special education students and for arranging the provision of services required by their IEP. The Operator shall maintain a file documenting Operator's compliance with special education requirements.
- b. As the LEA, the ASD retains the authority to oversee and require that the Operator take corrective measures with regard to special education. The Operator is responsible for the management of its special education budgets, personnel, programs and services. The ASD reserves the right to audit the use of special education funds provided to the Operator to ensure compliance with program and fiscal requirements.
- c. The Operator shall ensure that its special education personnel or contracted personnel are appropriately licensed consistent with federal requirements and State laws and regulations. The Operator shall implement the programs and services, including providing related services, required by the IEPs of the students enrolled at the School(s). The Operator shall rely on its discretion to determine whether or not to contract with outside



entities, such as consultants or local districts, for the provision of any mandated special education or related services. Upon request by the ASD, the Operator shall provide all requested or appropriate documentation to demonstrate the licensure status of School personnel providing special education or related services and of independent contractors providing special education or related services, and, the training received by said personnel, and the steps taken by the Operator to comply with applicable credentialing the requirements. The Operator shall promptly provide the ASD with documentation that updates this information during the course of the school year to the extent that it has changes in its personnel, independent contractors, or training for staff.

d. The IEP team convened at the school shall have the authority to make offers of a FAPE and decisions regarding the staffing and methodology used to provide special education and related services at the school pursuant to an IEP. This may include servicing a student in an appropriate setting that is outside the Operator's school if the Operator is unable to provide an appropriate placement or services for a student. The Operator must inform the ASD of such decisions.

e. To the extent that the ASD provides training opportunities and/or information regarding special education to the staff of other operators, such opportunities and/or information shall be made available to Operator's staff. To the extent that the ASD elects to offer to the Operator administrative and/or programmatic services relating to special education, the Operator may avail itself of such services at a previously agreed upon fee.

f. The Operator shall promptly report to the ASD any and all alleged serious infractions, filed due process complaints, and other significant non-compliance issues relating to special education. The ASD will investigate, cooperate with and respond to all special education complaints the ASD receives pertaining to the Operator. The Operator will offer mediation to resolve any disagreements and cooperate with the ASD in any such investigations and provide all documentation required to respond to complaints within timelines imposed by the investigating agency.

In the event that a parent or guardian of a student attending the Operator's school initiates due process proceedings, both the Operator and the ASD will act as respondents. The Operator will attempt to informally resolve the matter prior to a hearing by convening a meeting with the parent/guardian and relevant members of the IEP team and/or through mediation offered through the Administrative Procedures Division of the Tennessee Secretary of State. The ASD will participate with the Operator in any subsequent due process hearing. During due process and any other legal proceedings or actions involving special education, the Operator will be responsible for its own representation. If the Operator retains legal representation for a due process proceeding or other legal proceeding or action, the Operator will be responsible for the cost of such representation.



g. The Operator shall indemnify the ASD for any costs, attorney fees, and/or financial penalties imposed on the ASD by state and/or federal authorities arising out of actions or omissions of the Operator relating to special education. This includes the costs of providing special education and related services, compensatory education and/or reimbursement awarded by a due process hearing officer or court.

**3.4.3. Costs for Special Education.** All costs associated with providing educational services to enrolled students with disabilities are the responsibility of the Operator. Part of the Basic Education Program (BEP) funds are generated based on special education needs of the ASD during the prior year. The ASD will make IDEA Part B funds available to schools for direct reimbursement, in accordance with ASD policy.

**3.5 Facility**

The charter school shall be located at **INSERT ADDRESS OF THE SCHOOL BUILDING HERE**. The Operator may use the school building and all facilities and property otherwise part of the school and recognized as part of the facilities or assets of the school prior to its placement in the ASD and shall have access to such additional facilities as are typically available to the school, its students, faculty and staff prior to its placement in the ASD. If a Memorandum of Understanding (MOU) is in effect between the ASD and the LEA that owns the facility (Exhibit 2), the terms of such MOU shall govern facility use by the Operator.

**3.6 Transportation**

Subject to the terms of the Memorandum of Understanding, transportation shall be provided by Operator pursuant to T.C.A. § 49-13-114, free of charge to and from school on regularly scheduled school days for all students:

- a. residing outside of the LEA's defined Parent Responsibility Zone;
- b. required to cross hazard zones between home and school; and/or
- c. with transportation requirements included in their Individualized Education Programs (IEPs).

**3.7 Assessment**

- a. The Operator shall have the autonomy to devise its own student assessment programs, beyond the following requirements:
  - i. Administer all TDOE-required student assessments, including but not limited to TNReady, TCAP, End of Course Assessments, ACT, and ELL Assessments for the required grades and testing windows.
  - ii. Administer ASD-required student assessments, as defined by district policy.
- b. The Operator shall comply with all TDOE- and ASD- required assessment administration, security and reporting requirements.

**3.8 Compliance with Applicable Laws, Regulations and State, Federal and ASD Policies, Reporting Requirements and Grant Commitments**



**By signing this Agreement, the Operator warrants that it has specific knowledge of:**

- a. its obligations to comply with all federal, state and local laws applicable to the provision of public education in a charter school in the ASD. Further assurances are provided in the Application. The Operator acknowledges that the waiver of education statutes and rules of the state board or department of education, granted pursuant to Rule 0520-14-03 does not include a waiver of any of the regulatory or statutory requirements listed in T.C.A. § 49-13-105(b) or any of the Tennessee Public Charter School Act, T.C.A. § 49-13-101 et seq.
- b. its state and federal grant obligations and that it will comply with all grant assurances to which the Operator has agreed..
- c. State, Federal and ASD compliance reporting requirements, as reflected in **(Exhibit 3)**.

**3.9 School Performance Expectations**

- a. Federal and Tennessee Compliance
  - i. The ASD will complete an annual audit and periodic reviews of the Operator's compliance with federal and state laws and regulations, including but not limited to: operational and student and staff safety, employment and service requirements. The compliance checklist will be provided in advance of any reviews.
  - ii. Non-compliance with any state or federal laws may trigger review and may result in revocation of the charter. Prior to revocation, the ASD shall notify the Operator and give reasonable opportunity to cure the violation, unless the ASD determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the students.
- b. Tennessee Department of Education (TDOE) and ASD Achievement
  - i. The ASD will complete an annual threshold test of all schools to determine their fulfillment of the ASD's academic performance targets
  - ii. Schools must meet or approach ASD school accountability goals to remain authorized by the Operator.
  - iii. New schools in their first year of operation in the ASD are not held accountable to the TDOE's or ASD's school accountability system.
  - iv. In the event that the Operator's school fails to meet or approach ASD school accountability goals for two years in a row following the first year of operation, the Operator's authority to operate the school may be revoked.
- c. ASD School Performance Framework
  - i. The ASD School Performance Framework **(Exhibit 4)** establishes school performance indicators with targets that are equal to or exceed TDOE performance targets.
  - ii. The ASD will publicly report annually schools' performance according to the ASD School Performance Framework on School Report Cards. Operators shall make available data required to report achievement and progress, according to the ASD



School Performance Framework.

- d. ASD School Performance Composite Score
  - i. The ASD School Performance Framework includes a subset of metrics that combine to create a Composite Score (**Exhibit 4**) to determine if schools are on track to dramatically improve outcomes for students.
  - ii. The Operator's individual performance targets within the Composite Score and broader ASD Performance Framework must be reflected, to the degree required, in applicable grant applications, including, but not limited to the Title I and SIG grant applications. If the Operator commits to performance targets in a state or federal grant application that exceed targets reflected in the ASD Performance Framework, the Operator must adhere to its grant obligations.
  - iii. The ASD will use the Operator's School Composite Score(s) to determine school action decisions, including the rate of replication or replacement of the Operator's schools in the ASD (**Exhibit 4**). The ASD's Superintendent is the final authority on ASD school action decisions.

### 3.10 **Hold Harmless**

Hold Harmless. The Operator agrees to indemnify and hold harmless the State of Tennessee and, subject to the Operating Agreement, the local government entity which owns any building in which the school is located, as well as their officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Operator, its employees, or any person acting for or on its or their behalf relating to this Agreement. The ASD shall promptly defend, indemnify, and hold harmless the Operator, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assignees from and against any and all alleged or actual breach of any obligation imposed on the ASD under this Agreement, or any other actual or alleged breach of any duty or obligation owed to the Charter School, the Operator, or any third party, arising from the ASD's sole or separate negligence, or any obligation imposed on the ASD, the Charter School, the Operator, or any third party, by Federal or state law concerning the operation and maintenance of any building in which the school is located, including but not limited to, the Americans with Disabilities Act of 1990, or any private claim based thereon.

In the event of any such suit or claim, the Operator shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Operator written notice of any such claim or suit, and the Operator shall have full right and obligation to conduct the Operator's own defense thereof. Nothing contained herein shall be deemed to accord to the Operator, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by T.C.A. § 8-6-106.



**3.11 Monitoring, Inspection and Certification of Records**

The ASD shall at all times have authority to enter the charter school to monitor Operator’s compliance with applicable law and the terms of this Agreement. The Operator shall designate a representative to serve as the point person for ensuring compliance, reporting, and other communications related to the Operator’s compliance.

**3.12 Services Provided by the Local Education Agency (LEA)**

The parties agree that services provided by the LEA to the Operator shall be based on a schedule developed by the LEA and the Operator, or a schedule developed by the ASD.

**4. Incorporation by Reference**

Each of the following documents is included as a part of this Agreement by reference:

- a. Application in response to Request for Proposal
- b. Memorandum of Understanding between the ASD, Operator and/or LEA.

**5. Effective Date**

This Agreement shall not be binding upon the parties until it has been signed first by the Operator and then by the ASD.

X

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Chris Barbic  
Superintendent, Achievement School District

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Name of the Executive Director  
Executive Director, Name of the Operator

X

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Name of Board Chair  
Board Chair, Name of the Operator



Exhibit 1 – Operator Application in response to Request for Proposal

Exhibit 2 – ASD-LEA Memorandum of Understanding (if applicable)

Exhibit 3 – ASD List of State and Federal Compliance Reports

Exhibit 4 – ASD School Performance Framework

**Exhibit 5**– ASD Student Handbook