

MEMORANDUM OF UNDERSTANDING
and
ADMINISTRATIVE SERVICES AGREEMENT
by and between
THE VENTURA COUNTY BOARD OF EDUCATION
and
BRIDGES CHARTER SCHOOL (BRIDGES)

This Memorandum of Understanding and Administrative Services Agreement, hereinafter referred to as the "Agreement," is executed between the Ventura County Board of Education and BRIDGES Charter School, a California nonprofit public benefit corporation.

RECITALS:

- A. The Ventura County Board of Education, hereinafter referred to as "VCBE" is the Governing Board of the Ventura County Office of Education - a County Office of Education existing under the laws of the State of California. The actual performance of duties outlined in this agreement will be carried out on behalf of the VCBE by Ventura County Office of Education staff, and is hereinafter referred to as "VCOE."
- B. BRIDGES hereinafter referred to as "Charter School," is a private, non-profit public benefit corporation that proposes to operate a public K-8 charter school, under the laws of the State of California under a charter granted by VCBE and the supervisory oversight of the VCBE.
- C. The VCBE is the sponsoring agency of the Charter School to be operated as the BRIDGES Charter School. This Agreement is intended to outline the agreement of the Charter School and the VCBE governing their respective fiscal and administrative responsibilities and their legal relationships, as well as the operation of the Charter School.
- D. Written modifications of this Agreement may be made by mutual agreement as set forth below.

- E. Education Code Section 47607(a) (2) provides the procedure for material revision of an existing charter. Upon the execution of this Agreement by the parties and upon ratification and approval by the VCBE, the following shall be considered a material revision of the Charter and Code shall become a fully incorporated part of the Charter. There shall be, at all times, an MOU between the Charter School and the VCBE. This requirement shall be considered a material part of the Charter.
- F. The parties recognize and agree that the Charter School is open to all students regardless of race, ethnicity, national origin, religion, gender, sexual orientation, perceived sexual orientation, home language, or disability, or any other characteristic described in Education Code Section 220 and that such provisions of non-discrimination shall apply as well to employment.
- G. The order of admission preferences shall be in accordance with Education Code Section 47605(d)(1) and during the period of the California Department of Education Public Charter Schools Grant Program funding, the public random drawing will be held as a single weighted public lottery. For the purpose of maintaining family continuity relative to admission of siblings, a student will be considered to be enrolled immediately upon being selected in the public random drawing. Also, in order to reconcile state and federal provisions pertaining to the admission of students to charter schools in a manner which will allow Charter School to qualify for Public Charter Schools Grant Program (PCSGP) funding, the children of founders and faculty will be exempted from the public random drawing during the period of said funding, but not beyond Charter School's first two years of operation, after which time the children of all employees shall be extended preference as noted in the BRIDGES charter document. The sum of all exemptions for the children of founders and faculty during PCSGP funding will not exceed 10% of total enrollment.
- H. While VCBE has granted a charter, various matters must be resolved before the Charter School can commence operations and begin providing services. Those matters include, without limitation, the following:
1. The non-profit corporation structure is fully in place, including authorization by the California Secretary of State,, and appointment of a Board of Directors that complies with Government Code Section 1090 and the Corporations Code;
 2. Identification and procurement of appropriate facilities for the operation of the school;

3. All documents, manuals, policies and procedures referenced in the petition which do not already exist be created and adopted by the Charter School Board of Directors, including Bylaws;
4. The Charter School's plan for becoming WASC accredited, if applicable;
5. Agreement for Special Education Services (see attached Exhibit A).

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth, the Charter School and VCBE do hereby agree as follows:

AGREEMENTS:

I. TERMS AND RENEWAL

- A. The Agreement is subject to termination during the term or any renewal as specified by law or as otherwise set forth in the Agreement.
- B. Any modifications of this Agreement must be in writing and executed by the duly authorized representatives of both parties specifically indicating the intent of the parties to modify this Agreement.
 1. The duly authorized representatives of the Charter School are the Officers and the President of the Board of Directors.
 2. The duly authorized representatives of the VCBE is the County Superintendent of Schools or designee. For purposes of amendment of the Charter, the Board is required to take action.
 3. The term of this Agreement is for one year. The parties agree to review this Agreement annually. By February 1, of the then current year beginning in the year 2011, both parties will present proposed revisions to the Agreement. If there are no areas of dispute or identified for revision, the agreement will be automatically renewed for the coming year. If there are areas agreed to be revised, those revisions which would constitute a material revision shall be treated as amendments to the Charter, and the process for Charter amendment shall be followed. Areas of agreement that are not considered to be material revision shall go into effect at the renewal of the Agreement. If there are areas of dispute, without agreement by March 30 of the current year, then the issue shall be treated as a dispute and follow the procedure in this resolution of disputes between the Charter School and the granting agency. The parties agree that following such process constitutes due process for the Charter School. The Agreement shall expire upon the expiration or revocation of the Charter.

4. The VCBE reserves the right of approving amendments and/or revoking the Charter School charter as specified in the Education Code.
- C. The Charter school agrees to abide by all regulations outlined in the VCBE's Board Policy and Administrative Regulation 0420.4 that apply to a start-up charter and any subsequent modifications thereto. The VCBE may elect to waive one or more items in the Administrative Regulation 0420.4 if mutually agreed upon with the Charter School. The following exceptions to 0420.4 have been acknowledged by both parties:
1. Under the Special Education section of 0420.4 it states that "the charter school shall not commence operation until confirmation of LEA status within a SELPA is provided to the VCOE." Both parties to this agreement acknowledge that the Charter School may (in the future) be required to apply for LEA status in the Ventura County or other SELPA but the Charter School will initially be allowed to commence operation with or without LEA status. Please see Exhibit A – "Agreement for Special Education Services," which agreement will be in place for one year, to be renewed, or until such time that the Charter School is granted LEA status within a SELPA. Renewal and modifications to the Agreement for Special Education shall be handled in the same manner as modifications to this Agreement.
 2. Regulation 0420.4 requires the VCBE to be the agent for disposition of the assets of the Charter School upon closure. By law, upon dissolution of a nonprofit public benefit corporation, assets must be disbursed to another nonprofit public benefit corporation or a governmental agency (which might include the VCOE). The VCBE elects not to be involved in the disbursement of assets upon closure. As part of its oversight responsibility, the VCOE shall have approval authority over plans for the disposition of assets acquired and/or maintained by public education funds, including but not limited to: real property, furniture and equipment and student records.
 3. Regulation 0420.4 requires compliance by the Charter School with the conflict of interest provisions of the Government Code, particularly Section 1090. The conflict of interest policy submitted with the Charter petition does not meet these requirements. The Charter School agrees to comply with Section 1090, and that Section 1090 applies to charter school officers and employees in the same manner as it applies to school district officers and employees.

4. The Charter School recognizes that this MOU is an integral component of the Charter, and that any breach of the provisions incorporated herein may be considered a breach of the Charter and grounds for its revocation. In the event of any inconsistency between the Charter and this MOU, the provisions of this MOU shall govern.

II. DESIGNATION OF SCHOOL

- A. The Director/Superintendent of the BRIDGES Charter School and the Board of Directors shall be responsible for all functions of the Charter School subject to the terms and conditions set forth in this Agreement and its charter.
- B. Number of Students: Charter School shall provide written notice to the VCOE on or before September 1, 2010 for the 2010-2011 school year and on or before June 14th in subsequent years confirming its enrollment and sufficiency to open school for the following school year.
- C. Grade Levels: It is recognized that the Charter School will serve grades K-8.
- D. On an annual basis and no later than April 1 of each year, the Charter School shall provide written notice to the VCOE of the estimated maximum enrollment plans and anticipated grade level offerings for the following school year.

The Charter School shall provide written policies for independent study including the Home School Alliance for approval by VCOE and the Charter School Board prior to commencing instruction through non-classroom based instruction (Independent Study/Home Schooling). No change shall be made to that policy without first being approved by the VCOE.

If the Charter School uses independent study, the method for determining student to teacher ratio pursuant to California Education Code Section 51745.6 shall be approved by the VCOE prior to the first day of instruction. The student to teacher ratio, pursuant to CCR Title 5 Section 11704, shall not exceed the non-independent student to teacher ratio of the largest unified school district in Ventura County rounded down to the nearest whole number OR 25:1. The definition of a "full time equivalent teacher" shall be based on "instructional time" (hours worked and days worked) but will not be based on number of students served. Only credentialed teachers working in a direct instructional capacity shall be included in the calculation. At the end of each year, the list of teachers containing the number of full days worked and salary will be provided to VCOE as part of the student to teacher ratio calculation. The Charter School agrees to

comply immediately with any legislative changes that affect the student to teacher ratios and definitions of "full time equivalent teacher."

- E. The Charter School shall also provide a list of students enrolled and the district of residence for each student at any time at the request of VCOE.
- F. The educational program and grade level offerings shall be in compliance with the petition approved by the VCBE on February 16, 2010 and any other subsequently authorized amendments.
- G. The Charter School shall implement an appropriate audit trail for independent study/Home Schooling clearly tracing student work evaluated for credit and attendance.
- H. The Charter School agrees that it will not allow students to bank advance work in order to obtain attendance credit for independent study.
- I. Student files for independent study shall contain appropriate and clear documentation of completion of course of study, passing of proficiency exams, and completion of credits.

III. PROGRAMMATIC AUDIT

The Charter School will compile and provide to the VCBE an annual performance audit. This audit will, at a minimum, include the following data:

- A. Summary of data showing student progress toward the goals and outcomes specified in the Charter using State and local assessment instruments and techniques identified by the Charter.
- B. Analysis of whether student performance is meeting the goals specified in the Charter. This data will be displayed on both a school-wide basis and disaggregated by major racial and ethnic categories to the extent feasible without compromising student confidentiality.
- C. Data on the level of parent involvement in the Charter School's governance (and other aspects of the Charter School, if applicable).
- D. Data regarding the number of staff working at the Charter School and their qualifications.
- E. A copy of the Charter School's Board Adopted Safety Plan, health and safety policies and/or a summary of any major change to those policies during the year, as well as a summary of all health and safety issues arising since the last report, and a summary of actions taken or planned to correct deficiencies or improve results in the foregoing.

- F. Analysis and comparison of the racial and ethnic makeup of charter pupils as compared to the general population of residents within the territorial boundaries of the Conejo Valley Unified School District (CVUSD), including actions taken to ensure the charter pupil population is reflective of the general population of CVUSD.
- G. Analysis of the Charter School's admissions practices, data regarding the numbers of students enrolled, disenrolled, denied admission and the reasons therefore, the number on waiting lists, and information on any plans for expansion to accommodate more pupils, including those on the waiting lists.
- H. Analysis of the effectiveness of the Charter School's internal and external dispute mechanisms, and data on the number and resolution of disputes and complaints.
- I. Other information regarding the educational program and the administrative, legal, and governance operations of the Charter School relative to compliance with the terms of the Charter, generally.

IV. FUNDING

- A. To the extent that the Charter School is required to submit records or information to the VCOE in order to confirm funding, those records must be prepared by or for the Charter School in conformance with VCOE procedures and software requirements.
- B. In addition to the statutory block grant funding, the parties recognize the authority of the Charter School to pursue additional sources of funding.
 - 1. The VCBE has no obligation to apply for additional sources of funding for the Charter School. However, if the VCBE applies for additional sources of funding in the form of grants and/or categorical funding at the request of and for the benefit of the Charter School through the VCOE, the VCOE will receive an amount equal to 1% of such funds to be allocated to the Charter School as an administrative charge, or as otherwise required by the specific grant or by law. Funds may be allocated to the Charter School on a prorated basis related to the formula which generates the funds. For example, if funds are generated on a per eligible student basis, they may be allocated to the Charter school on a per eligible student basis minus the administration fee charged by the VCOE.
 - 2. The Charter School shall cooperate fully with the VCBE and VCOE in any application made by the VCOE on behalf of the students of the Charter School.

3. The Charter School agrees to comply with all regulations related to expenditures and receipt of such funds.
 4. The Charter School elects to receive the state aid portion of general-purpose entitlement and categorical block grant in accordance with Education Code section 47651(a)(1). Funds for the Charter School will be deposited directly into the county treasury account held in trust by the VCOE.
 5. The Charter School will be entitled to the charter school general purpose entitlement and categorical block grant funds per ADA.
 6. It is anticipated that the Charter School may be entitled to funding from formula-based categorical or restricted-use funding programs, including the Categorical ADA Block Grant, Special Education, Lottery Instructional Materials, class size reduction funds, a variety of state and federal application based programs, as well as various grant opportunities. Except as otherwise noted in this agreement, it shall be the responsibility of the Charter School to apply for this funding which is beyond the basic statutory entitlement. Charter School agrees to comply with all regulations related to expenditures and receipt of such funds.
- C. The Charter School agrees that all revenue obtained from the VCOE shall only be used for the provision of educational services for school age children enrolled in and attending the Charter School and shall not be used for purposes other than those set forth in the approved Charter, any authorized amendments, and this agreement.
- D. The Charter School agrees to indemnify and hold harmless the VCBE and VCOE for claims, causes of action, funds owed or other actions taken by the State or third parties as a result of the ADA dispute and any issues brought forward in the independent auditor's report.

V. LEGAL RELATIONSHIP

- A. The Charter School is a separate legal entity. The Charter School shall be operated as a non-profit public benefit corporation under Education Code Section 47604. As such, the VCBE and VCOE shall not be liable for the debts or obligations of the Charter School.
- B. As of July 1, 2010, the Charter School shall be operating as a non-profit entity. The Charter School will provide a draft of the corporate bylaws along with a summary of the intended governance structure. The Charter School agrees to include a VCOE representative "observer" at all of the Board of Director meetings of the Charter School. This "observer" shall receive all relevant board agenda materials including minutes and supporting material in advance of said board meetings, but will not be

considered a member of the Charter School Board of Directors. VCBE may require that the Charter School amend the governance structure to include one member selected by the VCBE to be placed upon the Board of Directors of the Charter at a later date, and to set the status and rights applicable to the newly named member. The Charter School shall adopt the bylaws and fully organize by September 1, 2010. Members of the board shall file with the VCBE and all other required entities, all applicable Fair Political Practice Commission conflict of interest forms by the required date.

- C. The Parties agree and understand that employees of the Charter School are not employees of VCBE or VCOE, but shall be employees of the Charter School, and that the Charter School shall be the employer for purposes of collective bargaining as provided in Education Code Section 47605(b)(5)(O).
- D. With respect to all of its operations under this Agreement, the Charter School shall, to the fullest extent permitted by law, hold harmless, indemnify, and defend the VCBE and VCOE, its trustees, officers, agents and employees from and against any and all claims, demands, actions, suits, losses, liability expenses and costs, including without limitation attorneys' fees and costs, arising in any way out of operation of the Charter School and/or caused by, connected with, or attributable to the willful misconduct, negligent acts, errors or omissions of the Charter School or its trustees, officers, employees, agents and/or consultants, excepting any claims, demands, actions, suits, losses, liability expenses and costs caused by the actions, omissions, sole negligence or willful misconduct of the VCBE and VCOE, its trustees, officers, agents and employees. The VCBE and VCOE shall be named as an additional insured under all insurance carried on behalf of the Charter School.
- E. Any complaints/concerns received by the VCBE or VCOE about any aspect of the operation of the Charter School or about the Charter School shall be forwarded by the VCOE to the Charter School. To the extent that such concerns/complaints may involve issues related to possible revocation or non-renewal of the Charter, the VCBE may request that the Charter School inform the VCBE of how such concerns/complaints were addressed. The Charter School agrees to provide such information. The parties recognize that the Charter School shall not be obligated to release information that is determined by law to be confidential in nature and not subject to public release. Nothing herein shall be interpreted to modify the authority of the VCOE to investigate and monitor operations of the Charter School when the VCOE receives parental complaints or other information as noted in Education Code Section 47604.4.

- F. Jurisdiction: The parties agree that for all legal action the appropriate jurisdiction and venue is the Superior Court of Ventura County, State of California.

VI. FISCAL RELATIONSHIP

- A. The VCBE and the Charter School agree that the Ventura County Schools Business Services Authority (VCSBSA) will act as the fiscal agent for the Charter School. It is understood that, as between the VCOE and the Charter School, in the event that the Charter School elects not to continue to contract with VCSBA the Charter School shall be responsible for all fiscal services such as payroll, purchase orders, attendance reporting and state budget forms.
1. The Charter School is required to follow the monthly VCOE payroll calendar and submit all of its approved and completed payrolls, along with a signed Pay Day Summary Report to VCSBSA. The Charter School will contract with the VCOE, through VCSBSA, for use of the Payroll/Personnel software via a separate service contract. Training on the Payroll system will be provided by VCSBSA to the Charter School personnel at no cost to the Charter School.
 2. The Charter School is required to be trained on, and use, the existing financial and budget system currently in use by the VCOE and all school districts in Ventura County. The Charter school will contract with the VCOE, through the VCSBSA, for use of the financial/budget software program via a separate service contract. Training on the financial and budget system will be provided by the VCSBSA to Charter School personnel at no cost to the Charter School.
 3. In the event that the Charter School utilizes the services of a management company as part of its structure, all financial records of the management company must be made available for review by the VCOE at any time.
- B. The Charter School may, if it chooses, contract with the VCOE for additional business services by way of a separate written agreement. It is understood that the VCOE is interested in providing available services at the State approved indirect cost rate for that fiscal year in which services are contracted for and rendered.
- C. The Charter School shall employ an attendance accounting process that is approved by the Ventura County Office of Education (VCOE). The attendance accounting process shall additionally be approved by the State of California using the same requirements that exist for all other K-12

public schools. Approvals shall be in writing prior to the first day of operation and any change to the attendance accounting process shall be approved in advance of the change. **AVERAGE DAILY ATTENDANCE:** The Charter School will be responsible for its daily and monthly attendance accounting. Charter School will submit the attendance reports in accordance with the VCOE format and State law and regulations to the VCOE's attendance officer in a timely manner and in a manner that is consistent with VCOE's process and software. For independent study/Home Schooling operations, the Charter School shall track such information pursuant to all relevant Education Code sections including, but not limited to 51747.5(b) using forms as suggested by the California Independent Study Operations Manual or as provided by the VCOE and/or the Charter School auditor and/or legal counsel subject to VCOE approval. Such attendance will be included in the annual independent audit of the Charter School. At the request of VCOE, the Charter School will report the names of the students who have disenrolled from the Charter School along with the reason for disenrollment (i.e. returning to district of residence, or drop out, or expulsion) upon the Charter School's action of dropping the student. The Charter School will report by letter all students who disenroll who plan to reenroll in another school/or school district promptly upon learning of the disenrollment.

- D. **ANNUAL AUDIT:** The Charter School shall not be part of the annual VCOE fiscal auditing process. The Charter School shall be responsible for having an annual independent fiscal audit done of the entire Charter School operation in accordance with all applicable laws and in accordance with Section VII of the Charter.
- E. The Charter School agrees that it shall establish a fiscal plan for repayment of any loans received by Charter School in advance of receipt of such loans. It is agreed that loans sought by the Charter School shall be authorized in advance by the Charter School and shall be the sole responsibility of the Charter School and neither the VCBE nor the VCOE shall have any obligation for repayment.
- F. Absent an agreement otherwise, the VCOE shall not advance any funds to the Charter School. In addition, the VCOE shall not act or provide a line of credit for Charter School.
- G. The Charter School shall maintain a minimum in reserves in accordance with CDE guidelines outlined in item ten of the attachment A, with a written plan (submitted to VCOE) to remedy if reserves fall below said amounts that are subject to legislative changes. It is recognized that either party may apply for private/grant funding. Any application that includes the other shall be approved in advance by both parties. It is recognized that either party may apply for private/grant funding. Any application that includes the other shall be approved in advance by both parties.

VII. FISCAL CONTROLS

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 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, principles that ensure that: (1) expenditures are authorized in accordance with amounts specified in the Board adopted budget; (2) the School's funds are managed and held in a manner that provide a high degree of protection of the School's assets; and (3) all transactions are recorded and documented in an appropriate manner that allows reporting to the State as required by the VCOE or Department of Education.

All financial reporting shall be performed using the State of California Standardized Account Code Structure (SACS) and attendant reporting forms including State adopted criteria and standards, annual budget, interim reports, and multi-year projections, all of which shall conform to the timelines required of K-12 school districts.

The budget structure used by the Charter School during operations shall be based on, in the format applicable to, standard California public schools, clearly separating costs for certified and classified staff, and shall separate instructional from non-instructional staff.

The Charter School shall develop and monitor its budget in accordance with the annual budget development and monitoring calendar to be developed by the Charter School. State required financial reports shall be forwarded to the VCOE within one month of its due date.

Segregation of Duties. The Charter School will develop and maintain simple check requests and purchase order forms to document the authorization of all non-budgeted expenditures. All proposed expenditures must be approved by the Director of Operations who will review the proposed expenditure to determine whether it is consistent with the Board-adopted budget and sign the check request form. All transactions will be posted on the VCOE financial system. The transactions will be posted on the system by someone at the school site or contracted bookkeeper. To ensure segregation of record recording and authorization, the bookkeeper may not co-sign check requests or purchase orders.

Banking Arrangements. The Charter School will maintain an account with the Ventura County Treasurer as soon as such an account is available by the County. The Charter School may also maintain an account at a federally insured commercial bank or credit union. The School's bookkeeper will reconcile the School's ledger(s) with its 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. The Chief

Financial Officer (CFO), the VCOE and the Charter Board will regularly review these statements. The School will deposit all funds received as soon as practical upon receipt. A petty cash fund may not exceed \$500.00, may be established with an appropriate ledger to be reconciled twice monthly by the school secretary, who shall not be authorized to expend petty cash.

If the Charter School contemplates incurring debt, including loans from the State Treasury, it will be required to submit appropriate financial records and repayment plans to the VCOE and obtain VCBE approval prior to applying for such loans.

Purchasing Procedures. All purchases over \$10,000.00 must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services. The Director/Superintendent shall not approve purchase orders or check requests lacking such documentation. Documentation shall be attached to all check and purchase order requests showing that at least three (3) vendors were contracted and such documentation shall be maintained for three (3) years. All purchases in excess of \$25,000.00 must have dual signature by a board member and an officer of the corporation.

Property Inventory. The Director/Superintendent shall establish and maintain an inventory of all non-consumable goods and equipment over \$500.00. This inventory shall include the original purchase price and date, a brief description, serial numbers and other information appropriate for documenting the School's assets. Property will be inventoried on an annual basis and lists of any missing property or other dispositions shall be presented to the Board of Directors and to the VCBE.

Payroll Service. The Charter School will use the VCOE payroll system to prepare payroll checks, tax and retirement withholdings, tax statements and to perform other payroll support functions. The Director/Superintendent and the Board Chief Financial Officer will review payroll statements monthly to ensure that (1) the salaries are consistent with staff contracts and personnel policies, and (2) the correct tax, retirement, disability, and the withholding have been deducted and forwarded to the appropriated authority. All staff expense reimbursements will be on checks separate from payroll checks. Upon hiring of staff, a personnel file will be established with all appropriate payroll-related documentation including a federal I-9 form, tax withholding forms, retirement date and use of sick leave.

Attendance Accounting. The Director/Superintendent will establish and maintain an appropriate State-approved attendance accounting system to record the number of days students are actually in attendance at the School and engaged in activities required of them by the school on days the Charter School is in session. The annual audit will review actual attendance accounting records and practices to ensure compliance. The attendance accounting practices will be

in conformance with the Charter School Act and the California Code of Regulations sections defining charter school average daily attendance.

Annual Financial Audit. The Board will annually appoint an audit committee by October 1st. Any person with expenditure authorization or recording responsibility within the school may not serve on the committee. The committee shall annually contract for the services of an independent certified public accountant to perform an annual fiscal audit. The audit shall include, but not be limited to, (1) an audit of the accuracy of the School's financial statements, (2) an audit of the School's attendance accounting and revenue claims, practices, and (3) an audit of the school's internal control practices. The audit shall be completed by October 15th and its results shall be reviewed and forwarded to the Board and the VCOE.

Property and Liability Insurance. The Board of Directors of the Charter School shall ensure that the Charter School retains appropriate property and liability insurance coverage. Property insurance shall cover replacement costs, insured to value, of business personal property written on a "special form", (causes of loss). Liability insurance shall be no less than \$1,000,000 per occurrence and \$5,000,000 general aggregate. The VCBE and VCOE shall be named as additional insureds on this policy.

The Directors and Officers Liability Insurance, including Employment Practices Liability insurance, shall be obtained and kept in force at all times with a self-insured retention of no more than \$50,000 per occurrence and a limit of no less than \$500,000 per occurrence. The Charter School will provide the VCOE with certificates of insurance before commencing instructions to students.

Additionally, the Charter School shall maintain insurance policies for all applicable coverages that are in accordance with the requirements of and acceptable to the Ventura County Schools Self-Funding Authority (VCSSFA). Verification and approval of these policies shall take place prior to the beginning of each school year.

Other Fiscal Control Policies. Charter School shall develop and maintain other fiscal control policies as recommended by independent certified public accountants retained by the Charter School to advise it on fiscal control policy matters.

VIII. SPECIAL EDUCATION SERVICES/504

The provisions governing the application of special education to Charter School Students shall be addressed in a separate agreement (Exhibit A). The agreement shall be for a term of one year, may be renewed, and shall be required until the Charter School establishes its status as an LEA for special education and is accepted into a SELPA. The cost of all special education services and

instruction shall be borne by the Charter School until such time as SELPA funding is obtained.

IX. HUMAN RESOURCES MANAGEMENT

All employees of Charter School are solely the employees of the Charter School. As such, the Charter School shall have the sole responsibility for employment, management, dismissal and discipline of its employees.

- A. The Charter School will conform to the laws regarding background checks, fingerprinting and credentialing. No Charter School teacher shall be maintained in employment without possession of a valid California Commission on Teacher Credentialing authorization and appropriate fingerprint clearance.
- B. If the Charter School decides to offer existing or new employees of the Charter School the opportunity to participate in CalSTRS or CalPERS, the Charter School shall be responsible for making these arrangements through the VCOE. Pursuant to Education Code Section 47611.3, the VCOE, as applicable shall create any reports necessary required by CalSTRS and/or CalPERS and submit such reports on behalf of the Charter School. The Charter School shall reimburse the applicable entity for the actual costs of creating and submitting such reports.

X. FACILITIES

- A. The Charter School will obtain its own site(s) and thereby is responsible for the costs of maintenance and operation of its facilities.

"Sites" include school sites, resource centers, meeting space or other satellite facilities.

The Charter School may not establish a charter school site outside the boundaries of the Conejo Valley Unified School District.

- B. Such facilities shall meet all applicable health and fire codes requirements, comply with Education Code Sections 47610 and 47610.5, and shall be of sufficient size to safely house anticipated enrollment and purposes.
- C. The parties acknowledge the decision of the Charter School to exempt itself from application of the Field Act Standards and that it may offer educational programs in facilities that are not otherwise approved under the Field Act.

- D. Charter School recognizes that its facilities and programs must conform with the Americans with Disabilities Act and any other federal or State requirements that may be applicable to charter schools.
- E. Charter School agrees that pupils of Charter School are not pupils of the VCBE or VCOE for purposes of facilities requests pursuant to Proposition 39, and that neither VCBE nor VCOE is obligated to provide facilities to or for charter pupils.

XI. EVALUATION OF EDUCATIONAL PROGRAMS/CONFORMANCE TO CHARTER

- A. Oversight monitoring of the Charter School shall be in conformance with VCBE Board policy and the terms of the approved charter. At the VCOE's request, Charter School and VCOE personnel shall meet monthly to discuss areas of concern, review and monitor records and student progress. At the Charter School's request, Charter School and VCOE personnel shall meet within ten (10) days notice by the Charter School. In addition, Charter School shall furnish the VCOE with an annual report and evaluation of its educational program as further outlined herein.

The VCOE, at the expense of the Charter School, shall oversee and monitor all Charter School operations, and report on same to the VCBE. Reimbursement of oversight costs shall not exceed the amount permitted by Education Code Section 47613.

The VCBE may enter into an agreement with a third party, as an expense to the Charter School, to oversee, monitor and report to the VCBE based on aspects of the Charter School's operation determined by the VCOE. Reimbursement of the cost of such activity shall be subject to the limitations of Education Code Section 47613.

The resolution of disputes between the Charter School and the VCBE, including those pursuant to California Education Code Section 47605 (b)(5)(N), shall be handled in the following manner:

1. The dispute shall be identified in written format by the administrator of the Charter School and the Board member identified as the contact person for the VCBE pursuant to California Education Code Section 47604.32(a). If the dispute could lead to revocation of the Charter, this written overview of the dispute shall specifically note such.
2. The VCBE and the individual identified as the representative of the Charter School Board shall meet and make a good faith attempt to

resolve the dispute. Failure of the Charter School to promptly respond may, in itself, be grounds for revocation of the Charter pursuant to California Education Code Section 47607. The VCBE and Charter School may agree to mediate the dispute utilizing a mutually agreed upon mediator.

3. If the VCBE determines it has cause to revoke the Charter, it shall notify the Charter School and give the school a period of thirty (30) calendar days to cure the violation or such longer time as agreed upon by VCBE and the Charter School, unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. The VCBE shall determine the definition for "a reasonable opportunity to cure the violation", based on the characteristics of the problem.
- B. Charter School agrees to provide a plan to hold students accountable for meeting measurable student outcomes and demonstrate student improvement subject to the same state accountability standards and assessments as public schools. The Charter School shall meet all statewide standards and conduct pupil assessments pursuant to Education Code 60605 and any other mandated statewide standards authorized in statute or pupil assessment applicable to pupils in non-charter public schools. The Charter School shall certify that its pupils have participated in the state testing programs specified in Education Code 60600 et. seq., as a condition of apportionment of state funding.

The Charter School is required to have clearly stated and measurable goals and objectives in the educational program including, but not limited to meeting or exceeding growth targets for the API and federal NCLB's AYP.

- C. Charter School agrees to administer all current statewide mandated performance assessments. Results of such statewide assessments shall be provided to the VCOE upon request. The Charter School will use multiple assessment measures beginning September 2010 to help prepare students for the STAR/CST.
- D. The Board of Directors shall be responsible for operating the Charter School in conformance with the provisions of the approved charter and this MOU.
- E. It is agreed that the availability of standards-based instructional materials is critical to the learning process, including, but not limited to, textbooks and other materials that supplement the delivery of a solid core curriculum. The Charter School recognizes that these instructional materials must be in adequate supply. Every student must have the appropriate textbook and instructional units to take home. Staff meetings,

in which both certificated and classified personnel attend, shall routinely discuss and review textbook inventories and the coordination and allocation of resources to maintain adequate supplies. Resources shall be coordinated proportionally by grade and subject. Teachers shall be encouraged to research and review instructional materials and to make recommendations. Since the Charter School's enrollment is constantly changing, a staff member shall be assigned to work with teachers to assist with the ordering process and to monitor textbook inventories, including other instructional materials such as workbooks, maps, software and equipment.

- F. Textbooks and other instructional materials selected must be standards-aligned in the content area. The textbook adoption process shall include an analysis of teaching strategies and techniques, assessment procedures and input from advisory groups. The Charter School shall ensure that students are provided with sufficient instructional materials including adequate textbooks and computers with sufficient software programs and training. The determination regarding the ordering of instructional materials is made by the Charter School administrator in collaboration with teaching staff. The VCOE may request an inventory of such materials at any time or visit the Charter School sites to review adequacy of materials.
- G. The Charter School shall develop and implement short and long-term strategic plans for the use of technology in the School. The Charter School is encouraged to maintain a technology resource person to provide technical assistance and consultation to staff in order to make the best use of technology.
- H. The Charter School shall submit to VCOE the full curriculum for all grade levels identifying measurable student outcomes before the opening of the school.

XII. SPECIAL PROGRAM/SERVICES

- A. In the event that either party to this agreement wishes to have its staff and or faculty participate in a program offered by the other, advanced approval and arrangements must be made. It is fully recognized that expenses for such events are negotiable at the time of the event. Such arrangements must be made with the appropriate site administrator or VCOE personnel in advance and confirmed in writing.

XIII. CHARTER SCHOOL POLICIES AND PROCEDURES

- A. Prior to the opening of school the Charter School shall provide VCOE with copies of all Charter School Policies and Procedures upon adoption by the Charter School Board. This includes, but not limited to:
1. The development and maintenance of a safety and exposure plan, a prescription medication plan, a site security plan and a disaster preparedness plan. Such information shall be provided in all staff desks at each site and provided to the VCOE.
 2. Procedures for how services will be provided to any interns and/or new teachers hired by the Charter.
 3. Providing a school management and disciplinary plan that identifies school and classroom rules and includes reasonable comprehensive descriptions of the due process requirements and the disciplinary plan review process.
 4. Written procedures describing how textbooks and other instructional materials will be selected based on alignment to the California Content Standards and input from advisory groups.

The Charter School shall provide assurances that students are provided with sufficient instructional materials including adequate textbooks and computers with sufficient software programs and training (Ed. Code 35186).

5. Written procedures to meet all required State and Federal assessments if the Charter is authorized.

All new policies developed after the opening of school will be provided to VCOE upon Charter Schools Board approval.

- B. The Charter School shall maintain an anti-nepotism policy, which shall be provided to the VCOE. Such a policy shall require that no spouse or dependent of a Charter School Board member shall enter into employment with the Charter School with the exception of contracts allowed under Government Code Section 1090, 1091 and 1091.5. Additionally, persons related by blood or by marriage to a Charter School employee shall not be appointed to a position where one relative would be in a supervisory position over another. Any employment of relatives outside of the restrictions herein noted must receive prior approval of the Charter School Board.

- C. The Charter School shall maintain a conflict of interest policy, which shall be provided to the VCOE. This policy shall be in place by July 1, 2009 and shall reflect compliance of the governance structure of the Charter School with the California Corporations Code and the Government Code. The Charter School will provide VCOE with all written operational procedures regarding the governing structure upon approval prior to the opening of school.
- D. Employees of the Charter School shall not sit on the Board of Directors of the Charter while employees. If an employee takes the oath of office or assumes a seat on the Board of Directors of the Charter School, the employment of that employee shall be deemed to be abandoned, and the employee deemed to have resigned as an employee.

XIV. STUDENT RECORDS

- A. Family Educational Rights and Privacy Act. The VCBE hereby designates employees of Charter School as having a legitimate educational interest such that they are entitled to access to education records under 20U.S.C.A. 1232g, the Family Educational Rights and Privacy Act and California Education Code 49076(b)(6) ("FERPA"). The Charter School, its officers and employees shall comply with FERPA at all times. The Charter School hereby designates employees of the VCOE as having a legitimate educational interest such that they are entitled to access to education records of Charter School students under FERPA. The VCOE, its officers and employees shall comply with FERPA at all times.
- B. Charter School agrees that, should independent study be offered, it's Master Agreement and Student Contract will, at all times, fully conform to the requirements for Independent Study Contracts under the Education Code.

XV. ENROLLMENT

The parties agree that to the extent that enrollment exceeds capacity in any year of the Charter School operation, final enrollment and waiting lists will be determined by a random public drawing.

XVI. BROWN ACT/PUBLIC RECORDS

The Charter School shall fully conform to the Brown Act. The Brown Act requires school boards to conduct their business in pre-announced and agendized open session unless specific conditions exist that justify the meeting of the board in closed session. In addition, Charter School understands and agrees that all of its

records that relate in any way to the operation of the Charter School may be subject to the requirements of the Public Records Act (Government Code Section 6250 et seq.) as well as Education Code Section 47604.3.

XVII. LEGAL SERVICES/OTHER SERVICES

Charter School will be responsible for procuring its counsel and the costs of such service. Charter School reserves the right to subcontract any and all services specified in this agreement to the VCOE and/or to public or private subcontractors as permitted by law.

XVIII. OVERSIGHT

- A. The Charter School and the VCBE agree that "oversight" and "supervisory oversight," as used in Education Code Sections 47604(c) and 47613 shall include the following:
1. All activities related to the Charter revocation and renewal processes, and described in Section 47607;
 2. Activities relating to monitoring the performance and compliance of the Charter School with respect to the terms of its Charter, related agreements, and all applicable laws;
 3. Participating in the dispute resolution process as described in the Charter;
 4. Review and timely response to the Charter School's Annual School Performance Report and Annual Independent Fiscal Audit;
 5. Identification of at least one VCOE staff member as a contact person for the Charter School;
 6. A visit to the Charter School at least annually;
 7. Ensuring that the Charter School complies with all reports required of charter schools by law;
 8. Monitoring the fiscal condition of the Charter School;
 9. Providing timely notification to the department if any of the following circumstances occur or will occur with regard to the Charter School: (i) a renewal of the charter is granted or denied, (ii) the charter is revoked, (iii) the Charter School will cease operation for any reason.

- B. The parties agree that should VCOE be requested or required to perform services other than as outlined above, it will incur additional costs or expenses, which Charter School agrees are not included within the services under the indicated cap, and which Charter School agrees to reimburse upon invoice by VCOE.
- C. A complete board packet, including without limitation all Board meeting agendas, Parent Council meeting agendas, budget, enrollment, cash-flow updates and all other meeting information being disseminated to any legislative body of the Charter School will be sent to the VCOE in sufficient time prior to the meetings to allow for inclusions to be made by the VCOE.
- D. Charter School agrees to provide information to VCOE on the workings of the Charter School, including the budget information and other data noted in the Data Reporting section of this Agreement, and other such information as may be requested by VCOE as part of its oversight and supervision duty as provided in the Education Code, the Charter School shall reimburse the VCOE for its actual costs of supervisory oversight of the Charter School up to 1% of all Charter School revenues (excluding grants and monies outside of the general purpose entitlement and categorical block funds). This amount shall be paid on a semi-annual basis to the VCOE.

XIX. INDEPENDENT CONTRACTOR

The parties to this Agreement intend that the relationship between the Charter School and the VCBE and VCOE created by this Agreement is that of an Independent Contractor and not employer-employee. No agent, employee, or servant of the Charter School shall be deemed to be the employee, agent or servant of the VCOE except as expressly acknowledged in writing by the VCOE. Charter School will be solely and entirely responsible for its acts and for the acts of Charter School's agents, employees, servants and subcontractors while acting under Charter School's direction during the entire term of this agreement.

XX. SEVERABILITY

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

XXI. NOTIFICATION

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

Ventura County Board of Education:

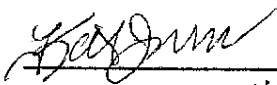
Name: Dr. Roger Rice, Associate Superintendent, Student Services
Ventura County Office of Education
5189 Verdugo Way
Camarillo, CA 93012

CHARTER SCHOOL:

Randy Witt
BRIDGES CHARTER SCHOOL
rwitt@earthlink.net

This agreement contains the entire agreement of the parties with respect to the matters covered hereby, and supersedes any oral or written understanding or agreements between the parties with respect to the subject matter of this agreement. No person or party is authorized to make any representations or warranties except as set forth herein, and no agreement, statement representation or promise by any party hereto which is not contained here in shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any warranties representations, statements or promises by any of the parties here in or any of their agents or consultant except as may be expressly set forth in this Agreement. The parties further recognize that this agreement shall only be modified in writing and by the mutual agreement of the parties.

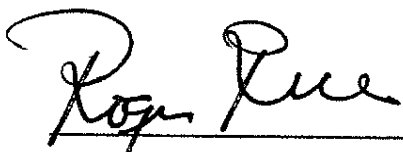
Approved by the Ventura County Board of Education on April 9, 2010



Randy Witt KATHY JONOKUCHI
For BRIDGES Charter School PRESIDENT IN ABSENTIA

6/21/10

Date



Dr. Roger Rice, Associate Superintendent
For Ventura County Board of Education

6/21/10

Date

(Attachment A)
Criteria and Standards
School District – Budgets

<u>Criterion</u>	<u>Standard</u>												
1. Average Daily Attendance	<p>Funded average daily attendance (ADA) has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">3.0%</td> <td style="padding-right: 20px;">for districts with</td> <td style="padding-right: 20px;">0 -</td> <td>300 ADA</td> </tr> <tr> <td>2.0%</td> <td>for districts with</td> <td>301 -</td> <td>1,000 ADA</td> </tr> <tr> <td>1.0%</td> <td>for districts with</td> <td>1,001 -</td> <td>and over ADA</td> </tr> </table>	3.0%	for districts with	0 -	300 ADA	2.0%	for districts with	301 -	1,000 ADA	1.0%	for districts with	1,001 -	and over ADA
3.0%	for districts with	0 -	300 ADA										
2.0%	for districts with	301 -	1,000 ADA										
1.0%	for districts with	1,001 -	and over ADA										
2. Enrollment	<p>Projected enrollment has not been overestimated in the first prior fiscal year or in two or more of the previous three fiscal years by more than the following percentage levels:</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">3.0%</td> <td style="padding-right: 20px;">for districts with</td> <td style="padding-right: 20px;">0 -</td> <td>300 ADA</td> </tr> <tr> <td>2.0%</td> <td>for districts with</td> <td>301 -</td> <td>1,000 ADA</td> </tr> <tr> <td>1.0%</td> <td>for districts with</td> <td>1,001 -</td> <td>and over ADA</td> </tr> </table>	3.0%	for districts with	0 -	300 ADA	2.0%	for districts with	301 -	1,000 ADA	1.0%	for districts with	1,001 -	and over ADA
3.0%	for districts with	0 -	300 ADA										
2.0%	for districts with	301 -	1,000 ADA										
1.0%	for districts with	1,001 -	and over ADA										
3. ADA to Enrollment	<p>Projected second period ADA to enrollment ratio for any of the budget year or two subsequent fiscal years has not increased from the historical average ratio from the three prior fiscal years by more than one half of one percent.</p>												
4. Revenue Limit	<p>Projected revenue limit for any of the budget year or two subsequent fiscal years has not changed from the prior fiscal year by more than the change in population and the funded cost-of-living adjustment (COLA) plus or minus one percent.</p> <p>For basic aid districts, projected revenue limit has not changed from the prior fiscal year by more than the percent change in property tax revenues plus or minus one percent.</p> <p>For districts funded by necessary small school formulas, projected revenue limit has not changed from the prior fiscal year amount by more than the funded COLA plus or minus one percent.</p>												
5. Salaries and Benefits	<p>Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures for any of the budget year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the district's required reserves percentage.</p>												

6. Other Revenues and Expenditures Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating), for any of the budget year or two subsequent fiscal years, have not changed from the prior fiscal year amount by more than the percentage change in population and the funded COLA plus or minus ten percent.
- For each major object category, changes that exceed the percentage change in population and the funded COLA plus or minus five percent must be explained.
7. Facilities Maintenance Confirm that the annual contribution for facilities maintenance funding is not less than the amounts required pursuant to *Education Code* sections 17584 and 17070.75, if applicable.
8. Deficit Spending Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the district's available reserves¹ as a percentage of total expenditures and other financing uses² in two out of three prior fiscal years.
9. Fund Balance Budgeted beginning unrestricted general fund balance has not been overestimated for two out of three prior fiscal years by more than the following percentage levels³:
- | | | | |
|------|--------------------|-----------|--------------|
| 1.7% | for districts with | 0 - | 300 ADA |
| 1.3% | for districts with | 301 - | 1,000 ADA |
| 1.0% | for districts with | 1,001 - | 30,000 ADA |
| 0.7% | for districts with | 30,001 - | 400,000 ADA |
| 0.3% | for districts with | 400,001 - | and over ADA |
10. Reserves Available reserves¹ for any of the budget year or two subsequent fiscal years are not less than the following percentages or amounts⁴ as applied to total expenditures and other financing uses²:
- | | | | |
|----------------|--------------------|-----------|--------------|
| the greater of | | | |
| 5% or \$55,000 | for districts with | 0 - | 300 ADA |
| the greater of | | | |
| 4% or \$55,000 | for districts with | 301 - | 1,000 ADA |
| 3% | for districts with | 1,001 - | 30,000 ADA |
| 2% | for districts with | 30,001 - | 400,000 ADA |
| 1% | for districts with | 400,001 - | and over ADA |

¹ Available reserves are the unrestricted reserves in the Designated for Economic Uncertainties and the Undesignated/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund

- ² A school district that is the Administrative Unit of a Special Education Local Plan Area may exclude from its expenditures the distribution of funds to its participating members.
- ³ Percentage levels equate to a rate of deficit spending which would eliminate recommended reserves for economic uncertainties over a three year period.
- ⁴ Dollar amounts to be adjusted annually by the prior year statutory cost-of-living adjustment (*Education Code* Section 42238), rounded to the nearest thousand.