State of Montana

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Board of Public Education

List of Approved Public Charter Schools
Action on New and Revised Public Charter Contracts

PUBLIC CHARTER SCHOOL	SCHOOL DISTRICT	FIRST OPERATING YEAR
Big Horn Academy	Hardin Public Schools	2025-2026 – Year 1, page 2
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Bronc Fast Track Public Charter School	Frenchtown School District	2024-2025 – Year 2, page 110
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Central Montana CTE Academy	Lewistown Public Schools	2025-2026 – Year 1, page 146
CORE School at Morningside	Great Falls Public Schools	2024-2025 – Year 2, page 164
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INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 18 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Big Horn Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Big Horn Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 24, 2025, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2025. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2025, and ending on June 30, 2030. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2026, and ending on June 30, 2031, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for **the Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in **the Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Taylor Sidwel
401 Park Road
Hardin, MT 59034
taylor.sidwell@hardin.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BIG HORN ACADEMY

By: _____
Jodeen Marston, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By _____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Big Horn Academy
629 8th Street West
Hardin, MT 59034

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Billings Early College School (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Billings Early College School.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Dr. Erwin Garcia, Superintendent
415 N. 30th
Billings, MT 59101
garciavelasqueze@billingsschools.org

Gordon Klasna, Executive Director, Secondary Education
415 N. 30th
Billings, MT 59101
klasnag@billingsschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BILLINGS EARLY COLLEGE SCHOOL

By_____
Jennifer Hoffman, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Billings Early College School
1044 Cook Avenue
Billings, MT 59101

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;
2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

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Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services
   2. ARM 10.55.904 Basic Education Program Offerings: High School

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Billings Multilingual Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Billings Multilingual Academy.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Dr. Erwin Garcia, Superintendent
415 N. 30th
Billings, MT 59101
garciavelasqueze@billingsschools.org

Dr. Chris Olszewski, Assistant Superintendent
415 N. 30th
Billings, MT 59101
olszewskic@billingsschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BILLINGS MULTILINGUAL ACADEMY

By_____
Jennifer Hoffman, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Billings Multilingual Academy
415 N. 30th
Billings, MT 59101

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;
2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

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Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services
   2. ARM 10.55.906 High School Credit
   3. ARM 10.55.902 Basic Education Program Offerings: Junior High School, 7th and 8th Grade Program, or Middle School

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Billings Opportunity School (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Billings Opportunity School.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Dr. Erwin Garcia, Superintendent
415 N. 30th St.
Billings, MT 59101
garciavelasqueze@billingsschools.org

Gordon Klasna, Director of Secondary Ed
415 N. 30th St.
Billings, MT 59101
klasnag@billingsschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BILLINGS OPPORTUNITY SCHOOL

By_____
Jennifer Hoffman, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Billings Opportunity School
1044 Cook Avenue
Billings, MT 59101

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;
2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

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Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.904 Basic Education Program Offerings: High School

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Bitterroot Polytech (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Bitterroot Polytech.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education.**

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination

8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.

8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:

8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;

8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;

8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;

8.2.4. evidence of parent and student satisfaction at the school; and

8.2.5. such other material and information as is required by the **Board of Public Education**.

8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.

8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.

8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:

8.5.1. by the **Board of Public Education** in accordance with the Act; or,

8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Dave Thennis, Superintendent
Hamilton School District #3
217 Daly Ave.
Hamilton, MT 59840
thennisd@hsd3.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BITTERROOT POLYTECH

By_____
Patrick Hanley, Board Chair
Hamilton School District

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Bitterroot Polytech
225 North 5th Street
Hamilton, MT 59840

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract.**

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:

1. ARM 10.55.705 Administrative Personnel: Assignment of School Administrators/ Principals
2. ARM 10.55.709 Library Media Services
3. ARM 10.55.710 Assignment of School Counseling Staff

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Bridger Charter Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Bridger Charter Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Lacy Clark, Clerk
Bozeman Public Schools
404 W Main
Bozeman, MT 59715
lacy.clark@bsd7.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BRIDGER CHARTER ACADEMY

By_____
Kevin Black, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Bridger Charter Academy (BCA)
205 N 11th Ave
Bozeman, MT 59715

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;
2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

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Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:

1. ARM 10.55.705 Administrative Personnel: Assignment of School Administrators/ Principals
2. ARM 10.55.709 Library Media Services
3. ARM 10.55.710 Assignment of School Counseling Staff

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Bronc Fast Track Public Charter School (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Bronc Fast Track Public Charter School.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education.**

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The Independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards Issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Les Meyer
P.O. Box 117
Frenchtown, MT 59834
LesMeyer@ftbroncs.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BRONC FAST TRACK PUBLIC CHARTER SCHOOL

By Debbie Lester
Debbie Lester, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Frenchtown High School
17620 Frenchtown Frontage Road
Frenchtown, MT 59834

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Butte Pathway Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Butte Pathway Academy.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 24, 2025, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2025. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2025, and ending on June 30, 2030. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2026, and ending on June 30, 2031, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Judy Jonart
111 N. Montana St.
Butte, MT 59701
jonartjm@bsd1.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

BUTTE PATHWAY ACADEMY

By Ann M Boston School District #1 Board Chair
Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By _____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Webster Garfield
1050 S. Montana
Butte, MT 59701

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Central Montana Career and Technical Education Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Central Montana Career and Technical Education Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 24, 2025, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2025. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2025, and ending on June 30, 2030. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2026, and ending on June 30, 2031, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Brad A. Moore
Superintendent
215 7th Avenue S
Lewistown, MT 59457

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

CENTRAL MONTANA CAREER AND TECHNICAL EDUCATION ACADEMY

By_____
Chair of the Charter Governing Board, Kris Birdwell

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Fergus High School
1001 Casino Creek Drive
Lewistown, MT 59457

Central Montana Education Center
773 Airport Road
Lewistown, MT 59457

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.704 Curriculum Coordinator FTE
   2. ARM 10.55.709 Library Media Services
   3. ARM 10.55.710 Assignment of School Counseling Staff

A. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of CORE School at Morningside (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the CORE School at Morningside.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Jackie Mainwaring, Executive Director
Great Falls Public Schools
PO Box 2429
Great Falls, MT 59403
jackie_mainwaring@gfps.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

CORE SCHOOL AT MORNINGSIDE

By_____
Gordon Johnson, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

GFPS CORE SCHOOL
Morningside Elementary
4119 7th Ave, North
Great Falls, MT 59401

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of East Helena 227 Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school.** A **school** may be housed in more than one physical **site.** The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the East Helena 227 Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board's** schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board's** breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

~~6.2.1~~ If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

~~6.2.2~~ If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination

8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.

8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:

8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;

8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;

8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;

8.2.4. evidence of parent and student satisfaction at the school; and

8.2.5. such other material and information as is required by the **Board of Public Education.**

8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.

8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract.** The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.

8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:

8.5.1. by the **Board of Public Education** in accordance with the Act; or,

8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board.**

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Dan Rispens
East Helena Public Schools
PO Box 1280
East Helena, MT 59635
drispens@ehps.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract.**

EAST HELENA 227 ACADEMY

By Scott A. Walter
Scott Walter, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

East Helena High School - 227 Academy
2760 Valley Drive
East Helena, MT 59635

East Valley Middle School - 227 Academy
401 N Kalispell
East Helena, MT 59635

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;
2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

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Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Flathead PACE Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Flathead PACE Academy.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education.**

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract.**

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education.**

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education.**
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education.** In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Michele Paine
Flathead High School
644 Fourth Ave. West
Kalispell, MT 59901
painem@sd5.k12.mt.us

If to the **Board of Public Education:**

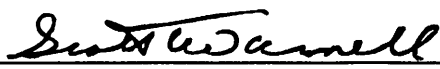
McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

FLATHEAD PACE ACADEMY

By 

Scott Warnell, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By _____

Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Flathead High School
644 Fourth Ave. West
Kalispell, MT 59901

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.705 Administrative Personnel: Assignment of School Administrators/ Principals
   2. ARM 10.55.905 Graduation Requirements
   3. ARM 10.55.906 High School Credit

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Helena Montessori Charter School (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Helena Montessori Charter School.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio.*

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination

8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.

8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:

8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;

8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;

8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;

8.2.4. evidence of parent and student satisfaction at the school; and

8.2.5. such other material and information as is required by the **Board of Public Education**.

8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.

8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.

8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:

8.5.1. by the **Board of Public Education** in accordance with the Act; or,

8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Rex Weltz, Superintendent
1325 Poplar St.
Helena, MT 59601
rweltz@helenaschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

HELENA MONTESSORI CHARTER SCHOOL

By_____
Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Broadwater Elementary School
900 Hollins Avenue
Helena, MT 59601

Central Elementary School
402 North Warren
Helena, MT. 59601

Smith Elementary School
2320 Fifth Avenue
Helena, MT 59601

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Libby Central Charter School (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Libby Central Charter School.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 24, 2025, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2025. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2025, and ending on June 30, 2030. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2026, and ending on June 30, 2031, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Ron Goodman, Superintendent
Libby Central Charter School
724 Louisiana Avenue
Libby, Montana 59923
goodmanrw@libbyschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

LIBBY CENTRAL CHARTER SCHOOL

By_____
XX, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Libby Central Charter School
724 Louisiana Avenue
Libby, Montana 59923

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.705 Administrative Personnel
   2. ARM 10.55.709 Library Media Services
   3. ARM 10.55.710 Assignment of School Counseling Staff
   4. ARM 10.55.906 High School Credit

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of CONNECT Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site:** one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the CONNECT Academy.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board.** In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board.**

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board.**

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education,** no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education.**

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Missoula County Public Schools
909 South Ave. West
Missoula, MT 59801
awalker-andrews@mcpsmt.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

CONNECT ACADEMY

By Arlene Walker-Andrews
Arlene Walker-Andrews, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Missoula County Public Schools
909 South Ave. West
Missoula, MT 59801

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of TEACH Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the TEACH Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board.**

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education.**
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education.**

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Missoula County Public Schools
909 South Ave. West
Missoula, MT 59801
awalker-andrews@mcpsmt.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

TEACH ACADEMY

By Arlene Walker-Andrews
Arlene Walker-Andrews, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By _____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Franklin Elementary School
1910 S 11th St W
Missoula, MT 59801

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Mount Ascension Learning Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Mount Ascension Learning Academy.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education.** Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract.**

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education.**

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Rex Weltz, Superintendent
1325 Poplar St.
Helena, MT 59601
rweltz@helenaschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

MOUNT ASCENSION LEARNING ACADEMY

By_____
Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Lincoln Center – Base Location
1325 Poplar Street
Helena, MT 59601

C. R. Anderson Middle School
1200 Knight Street
Helena, MT 59601

Helena Middle School
1025 North Rodney
Helena, MT 59601

Capital High School
100 Valley Drive
Helena, MT 59601

Helena High School
1300 Billings Avenue
Helena, MT 59601

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of PARK PATHWAYS SCHOOL (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the PARK PATHWAYS SCHOOL

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 16, 2026, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2027. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2027, and ending on June 30, 2032. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2027, and ending on June 30, 2032, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Eldon "Chad" Johnson – District Superintendent
129 River Road
Livingston, MT 59047
chad.johnson@livingston.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

PARK PATHWAYS SCHOOL

By_____
Dan Vermillion, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Park Pathways
129 River Road
Livingston, MT 59047

NOTE: To change upon final location

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:

1. ARM 10.55.705 Administrative Personnel: Assignment of School Administrators/ Principals
2. ARM 10.55.709 Library Media Services
3. ARM 10.55.710 Assignment of School Counseling Staff

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Helena Project for Alternative Learning Charter (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Helena Project for Alternative Learning Charter.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education.** In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Rex Weltz, Superintendent
1325 Poplar St.
Helena, MT 59601
rweltz@helenaschools.org

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

HELENA PROJECT FOR ALTERNATIVE LEARNING CHARTER

By_____
Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

PAL Charter School
815 Front Street
Helena, MT 59601

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of RISE Charter and Distance Learning Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the RISE Charter and Distance Learning Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Pete Joseph, Superintendent
Rise Charter and Distance Learning Academy
1151 Eastside Highway
Corvallis, MT 59828
petej@corvallis.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

RISE CHARTER AND DISTANCE LEARNING ACADEMY

By_____
Dan Wolsky, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Rise Charter and Distance Learning Academy
1151 Eastside Highway
Corvallis, MT 59828

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services
   2. ARM 10.55.710 Assignment of School Counseling Staff

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of RISE Charter and Pathway Learning Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the RISE Charter and Pathway Learning Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Pete Joseph, Superintendent
Rise Charter and Pathway Learning Academy
1151 Eastside Highway
Corvallis, MT 59828
petej@corvallis.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

RISE CHARTER AND PATHWAY LEARNING ACADEMY

By_____
Dan Wolsky, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Rise Charter and Pathway Learning Academy
1151 Eastside Highway
Corvallis, MT 59828

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** authorizers the following variances to standards to meet the intended outcomes of the proposed academic program of the **school**:
   1. ARM 10.55.709 Library Media Services
   2. ARM 10.55.710 Assignment of School Counseling Staff

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Rising Wolf Charter School (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Rising Wolf Charter School.
   2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:
      2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");
      2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;
      2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");
      2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");
   2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.
   2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.
   2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 19, 2024, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2024. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2024, and ending on June 30, 2029. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.
      2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.
         2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2025, and ending on June 30, 2030, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education.**

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Brad Holloway
Glacier High School
375 Wolfpack Way
Kalispell, MT 59901
hollowayb@sd5.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

RISING WOLF CHARTER SCHOOL

By Scott Warnell

Scott Warnell, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____

Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Glacier High School
375 Wolfpack Way
Kalispell, MT 59901

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school.**

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Ronan Charter Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Ronan Charter Academy.

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located.

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 24, 2025, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2025. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2025, and ending on June 30, 2030. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2026, and ending on June 30, 2031, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination

8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.

8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:

8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;

8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;

8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;

8.2.4. evidence of parent and student satisfaction at the school; and

8.2.5. such other material and information as is required by the **Board of Public Education**.

8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.

8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.

8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:

8.5.1. by the **Board of Public Education** in accordance with the Act; or,

8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Bob Cornwell
421 Andrew St NW
Ronan, MT 59864
bob.cornwell@ronank12.edu

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

RONAN CHARTER ACADEMY

By_____
Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Ronan Charter Academy
130 3rd Ave. NW
Ronan, MT 59864

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
       a. number of suspension/expulsion incidents; and,
       b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

A. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.

INITIAL PUBLIC CHARTER CONTRACT

This agreement, executed on this 19 day of March 2026 by and between the Montana **Board of Public Education** and the **Charter Governing Board** of Stevensville Health Science Academy (collectively, the "**Parties**").

W I T N E S S E T H:

WHEREAS the State of Montana (the "**State**") enacted the Public Charter Schools Act (the "**Act**"); and

WHEREAS pursuant to 20-6-804, MCA, the **Board of Public Education** has the authority to (i) approve applications to establish public charter schools in the State, (ii) thereafter to enter into a **Charter Contract** with applicants setting forth the terms and conditions under which a public charter school shall operate, and (iii) may thereafter renew a **Charter Contract** for a period of up to five years; and

WHEREAS an application was submitted to the **Board of Public Education** for establishment of a new public charter school pursuant to the **Act**, which the **Board of Public Education** approved;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, the **Parties** hereby agree as follows:

1. Definition of Terms
   - 1.1. **Board of Public Education**: the board created by Article X, section 9(3), of the Montana constitution and 2-15-1507, MCA.
   - 1.2. **Charter Contract**: a fixed-term, renewable contract between a **Charter Governing Board** of a public charter school and the **Board of Public Education** that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.
   - 1.3. **Charter Governing Board**: the elected board of trustees of a public charter school district exercising supervision and control over a public charter school or the **Local school board** that is a party to the **Charter Contract** with the **Board of Public Education** and that exercises supervision and control over a public charter school pursuant to a **Charter Contract**. Each **Charter Governing Board** is entitled to operate one **school** in one or more **sites** for each **Charter Contract** issued to it.
   - 1.4. **Local school board**: a preexisting board of trustees exercising supervision and control of the schools and programs of a local school district pursuant to Article X, section 8, of the Montana constitution and the laws of the state of Montana.
   - 1.5. **Located school district**: the school district in which a proposed, preoperational, or operational public charter school is located and from which the separate boundaries of the public charter school district are proposed to be formed. When a public charter school district is formed, the boundaries of the public charter school district are removed from the territory of the located school district.
   - 1.6. **Noncharter public school**: any public school that is under the supervision and control of a **Local school board** or the state and is not operating pursuant to a **Charter Contract.**
   - 1.7. **School**: a vehicle for the delivery of a complete educational program to students that has: independent leadership; dedicated staff; and defined facilities. A **Charter Governing Board** may have the authority to operate more than one **school** so long as a **Charter Contract** has been issued for each such **school**. A **school** may be housed in more than one physical **site**. The **Charter Governing Board** of a public charter school shall function as a Local Educational Agency (LEA). A public charter school is responsible for meeting the requirements of a LEA under applicable federal, state, and local laws, including those relating to special education. The **Charter Governing Board** is responsible for special education at

the school, including identification and service provisions, and is responsible for meeting the needs of enrolled students with disabilities.

1.8. **Site**: one of a number of facility locations for a single public charter school typically representing a grade range (for example, K-6 site, 7-8 site, or 9-12 site). A site would not be its own LEA, ESSA, or state Accountability Designation unit. More than one public charter school building tightly clustered (i.e., a campus) would operate as a "single site."

2. Establishment of the Stevensville Health Science Academy

2.1. Charter Agreement. This agreement (the **Charter Contract**), which specifically incorporates the following:

2.1.1. certain terms of operation set forth collectively and attached hereto in Exhibit A, and shall incorporate the initial charter applications or proposals of any additional schools that may hereafter be approved by the **Board of Public Education**, and which shall be hereafter referred to collectively as the Terms of Operation (the "**Terms of Operation**");

2.1.2. the Monitoring Plan, attached hereto as Exhibit B (the "**Monitoring Plan**"), which shall incorporate applicable monitoring procedures which must be completed by the **Charter Governing Board**;

2.1.3. the Performance Framework developed by each **school** to be operated by the **Charter Governing Board** or to be developed during the first year of operation by any additional school the **Charter Governing Board** may be permitted to operate, and further described herein and set forth in Exhibit C, (the "**Performance Framework**");

2.1.4. the Additional Assurances and Variances to Standards, if any, set forth in Exhibit D (the "**Additional Assurances and Variances to Standards**");

2.2. Purpose. This **Charter Contract** is entered into for the purpose of authorizing the establishment of a public charter school that meets identified educational needs and promotes a diversity of educational choices. The **Charter Governing Board** shall operate a public charter school consistent with the terms of the **Charter Contract** and all applicable laws and administrative rules to create an innovative and high-performing public charter school under the general supervision of the **Board of Public Education** and under the supervision and control of the **Charter Governing Board** who are elected by the qualified electors in the community where the public charter school is located. .

2.3. Applicable Law and Venue. Montana law governs this **Charter Contract**. Except as provided in 20-6-811, MCA, and this **Charter Contract**, the **Charter Governing Board** is subject to the provisions in Title 20 of the Montana Code Annotated and any state local rule, regulation, policy, or procedure relating to noncharter public schools within the **located school district**. The parties agree that any litigation concerning the **Charter Contract** must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

2.4. Authority to Operate; Effective Date; Term. The **Board of Public Education**, as the sole entity authorized to enter into charter contracts, having approved the **Charter Governing Board** to operate a public charter school on January 16, 2026, authorizes the **Charter Governing Board** to open and commence operation of a **school** on July 1, 2026. This **Charter Contract** is effective upon the signing of both parties for a term of five (5) years commencing on July 1, 2026, and ending on June 30, 2031. The **Charter Contract** may be renewed pursuant to 20-6-809, MCA, or extended pursuant to the terms herein.

2.4.1. Planning Years, Effect. The **Charter Governing Board** shall continue or commence instruction, as the case may be, in conformity with the schedule set forth in the Terms of Operation for each **school** it is permitted to operate.

2.4.1.1. Subject to the foregoing limitation, planning years applicable to any school or schools set forth in the Terms of Operation shall not require further approval of the **Board of Public Education** or constitute a revision to the **Charter Contract**.

2.4.1.2. The **Charter Governing Board** may take one (1) additional planning year pursuant to 20-6-806, MCA. In this case, the **Board of Public Education** will authorize a delayed effective date commencing on July 1, 2027, and ending on June 30, 2032, for a term of five (5) years.

2.4.1.3. In the event the **Charter Governing Board** is unable to open a **school** or schools by such date(s) the **Charter Contract** issued that permitted the **Charter Governing Board** to operate such school(s) shall be deemed to be void *ab initio*.

3. Governance

3.1. Status. The **school** shall be governed by the **Charter Governing Board**, as updated by subsequent election and approval, resignation, removal, or other disposition in accordance applicable law. The **Charter Governing Board** shall have final authority for policy and operational decisions of the **school** although nothing herein shall prevent the **Charter Governing Board** from delegating decision-making authority to officers, employees, and agents of the **Charter Governing Board**. In addition:

3.1.1. The **Charter Governing Board** shall establish and appoint members of an advisory board to provide recommendations and insight regarding the public charter school's operations. Members of the advisory board must include members with knowledge or experience in the mission or focus of the public charter school.

3.1.2. The **Charter Governing Board** and its officers, directors, members, and partners, have a duty of care for complying with the provisions of this **Charter Contract**, all applicable laws, administrative rules, regulations, and reporting requirements.

3.2. Code of Ethics and Conflicts of Interest. The **Charter Governing Board**, its trustees, officers, and employees shall abide by the code of ethics and/or conflicts of interest policy set forth in existing **Local school board** approved policies, which must conform to applicable law, and include standards with respect to disclosure of conflicts of interest regarding any matter brought before the **Charter Governing Board**.

3.3. Bylaws. The **Charter Governing Board** shall provide notice to the **Board of Public Education** within five (5) business days regarding any proposed amendment to its bylaws, policies, or operating procedures that may impact the operation of a public charter school within its geographic boundaries.

4. School Operations

4.1. Age; Grade Range; Number of Students. Each **school** operated by the **Charter Governing Board** shall provide instruction to pupils in such ages, grades, and numbers in each year of operation as set forth in the Terms of Operation. The **Charter Governing Board** shall annually determine the capacity of the **school** in consideration of the **Charter Governing Board**'s assessment of its ability to facilitate the academic success of students, to achieve the objectives specified in the **Charter Contract**, and to ensure that student enrollment does not exceed the capacity of its designated **site**.

4.2. Admissions; Enrollment; Attendance; Transfer. The **Charter Governing Board** shall have in place and implement comprehensive policies for admissions, enrollment, and attendance, which policies shall be approved by the **Charter Governing Board** and shall be consistent with applicable law and regulations. Such policies shall provide in detail the procedures and practices utilized by each **school** in regard to admission, enrollment, attendance and withdrawal including, *inter alia*, the period in which applications for admission shall be timely, how to obtain an application for admission, the practices in operating the random selection process, the maintenance of a wait list, the implementation of enrollment preferences, and the taking of student attendance. With the exception of any changes in the at-risk school design factors, the **Charter Governing Board** shall have the authority to make changes to such policies and such changes shall not require the permission of the **Board of Public Education**

or constitute a revision to the **Charter Contract**. Such changes, however, must be consistent with applicable law and regulations.

4.3. Marketing. The **Charter Governing Board** shall utilize reasonable outreach and marketing measures to make potential applicants aware of opportunities for enrollment at each of its schools.

4.4. Insurance. The **Charter Governing Board** shall, at its own expense, purchase and maintain the insurance coverage for liability and property loss for each **school** or **site** as is described in the Terms of Operation together with any other additional insurance that the **Charter Governing Board** deems necessary. Such insurance policies shall continue in effect. In the case of additional **schools**, the applicable insurance must be in effect prior to employees or students being present. The **Charter Governing Board** shall provide the **Board of Public Education** with certificates of insurance or other satisfactory proof evidencing coverage including, but not limited to, renewal policies, or additions, riders or amendments thereto covering additional schools. All such insurance policies shall contain a provision requiring notice to the **Board of Public Education**, at least thirty (30) days in advance, of any material change, nonrenewal or termination. Notwithstanding any provision to the contrary, the **Charter Governing Board** shall take all steps necessary to comply with any additional regulations made applicable to public schools.

4.5. Contracting with Educational Service Providers. Any entity that provides all or a substantial subset of all services necessary to operate and oversee any school's educational program on a fee basis and pursuant to a fee-based contract shall be known as an educational service provider ("Educational Service Provider") and the contract under which such services are provided shall be referred to as a management contract ("Management Contract"). Any other contractual arrangements including, but not limited to, leases, subleases, lease-purchase agreements, credit facilities, loan agreements, promissory notes, negotiable instruments, and other debt instruments, that are contemplated between the **Charter Governing Board** on the one hand and the Educational Service Provider, its partners, parents, subsidiaries, agents, and affiliates (including any entity that holds an economic interest in the Educational Service Provider) on the other, shall be known collectively, together with the Management Contract, as ESP Contracts ("ESP Contracts"). The following requirements and provisions relating to Educational Service Providers, Management Contracts and ESP Contracts shall apply.

4.5.1. Except as otherwise provided in this **Charter Contract**, the **Board of Public Education** reserves the right to review and disapprove for good cause shown any and all ESP Contracts that the **Charter Governing Board** seeks to execute, amend, or renew during the time that this **Charter Contract** is in effect. Good cause shown includes, but is in no way limited to, a finding that the ESP Contract(s) at issue does not, under the totality of the circumstances, allow the **Charter Governing Board** effective and sufficient means to hold the Educational Service Provider accountable including means to terminate the Educational Service Provider without placing the school's further existence in peril.

4.5.2. To facilitate the **Board of Public Education**'s rights of review and disapproval, the **Charter Governing Board** shall provide the **Board of Public Education** with any proposed ESP Contract or proposed material amendment thereto no later than thirty (30) days prior to the proposed date of execution. In addition to the foregoing, prior to a school's first year of operation, and where no prior Management Contract has been in place for that school, the **Charter Governing Board** must submit the proposed Management Contract to the **Board of Public Education** by no later than July 1 immediately preceding the start of the school year. When submitting an ESP Contract, the **Charter Governing Board** must include a written opinion of the **Charter Governing Board**'s legal counsel stating that the ESP Contract has been reviewed by legal counsel to the **Charter Governing Board**. Within thirty (30) days of receiving the proposed ESP Contract, the **Board of Public Education** shall notify the **Charter Governing Board** if

the agreement is disapproved, except that the **Board of Public Education**, at their discretion, may extend the review period an additional thirty (30) days. It is expressly understood that should the **Board of Public Education** not disapprove an ESP Contract, the **Board of Public Education** by such action(s) are in no way endorsing or approving the contract, the fee arrangements if any or any other provisions contained therein.

4.5.3. To the extent that the Terms of Operation contemplate that any of the **Charter Governing Board**'s schools would be operated with the assistance of an Educational Service Provider pursuant to a Management Contract, the **Charter Governing Board** shall obtain the prior written approval of the **Board of Public Education** prior to operating the school without such Educational Service Provider's assistance. Notwithstanding the above, it is understood that circumstances may require the **Charter Governing Board** to terminate and/or not renew a Management Contract and thereafter operate a school without the services of the Educational Service Provider identified in the Terms of Operation (or otherwise subsequently approved by the **Board of Public Education**) prior to obtaining the permission of the **Board of Public Education**. Where the **Board of Public Education** determines, at their sole discretion, that such circumstances exist, and the **Charter Governing Board** has made good faith efforts to timely inform the **Board of Public Education** of the circumstances, the **Board of Public Education** may waive the **Charter Governing Board**'s breach of the prior permission requirement and allow the **Charter Governing Board** to seek permission ex post facto.

4.5.4. Management Contracts shall set forth with particularity, inter alia, the extent of the Educational Service Provider's participation in the organization, operation and governance of the **Charter Governing Board** and any school, and contain a provision requiring the Educational Service Provider to provide the **Board of Public Education** access to its annual financial statements and audit.

4.6. Educational Programs.

4.6.1. The **Charter Governing Board** shall implement and provide educational programs at its school(s) that are designed to permit and do permit students to meet or exceed the performance standards adopted by the **Board of Public Education** and the goals, and measures of progress towards those goals, of the school(s) as set forth in the Performance Framework. Subject to the immediately foregoing requirements, the **Charter Governing Board** shall have the right to make any modifications to the educational programs of its schools as it deems necessary including, but not limited to, the curriculum, pedagogical approach, and staffing structure, and such modifications shall not require the permission of the **Board of Public Education** or be deemed a revision to the **Charter Contract**, provided however, that any such modifications shall be generally consistent with the Terms of Operation and applicable law, and the **Charter Governing Board** reports such modifications as part of its annual report.

4.6.2. Subject to any restraints in the Act or this **Charter Contract**, the **Charter Governing Board** may offer or share programs, settings, classes, and services between and among schools including grade level programs, specialized programs such as programs for students with disabilities or English language learners, and other programs so long as each such program is described in the Terms of Operation, each student participating in such program is included in the enrollment and Performance Framework of the student's sending school, unless the **Board of Public Education**, in their sole discretion, otherwise permit.

4.7. Performance Frameworks. By October 31 of the school year in which any school first commences instruction, the **Charter Governing Board** shall ensure that such school creates school and mission specific goals as part of the Performance Framework, established by the **Board of Public Education**, which upon completion, shall be incorporated into the **Charter Contract** as a Term of Operation. The Performance Framework shall replace and substitute for the assessment measures and educational goals and objectives set forth in the school's

charter application in the Terms of Operation, but shall not provide for less stringent assessment measures or educational goals and objectives than those set forth in the school's charter application. The **Charter Governing Board** understands that any school's success in meeting the goals and measures set forth in its Performance Framework shall be the predominant criterion by which the success of the school's education program will be evaluated by the **Board of Public Education** upon the **Charter Governing Board**'s application for renewal of the authority to operate such school.

4.8. Monitoring Plan and Oversight. The **Charter Governing Board** acknowledges that the **Board of Public Education**, or their authorized agents, have the right to visit, examine into and inspect the **Charter Governing Board** as well as any school or program the **Charter Governing Board** may operate pursuant to a **Charter Contract** and any records related to any of the foregoing. To permit the **Board of Public Education** to fulfill their oversight function under the Act and ensure that the **Charter Governing Board** and each of its schools is in compliance with all applicable laws, rules and regulations and the terms and conditions of this **Charter Contract**, the **Charter Governing Board** agrees to abide by the Monitoring Plan, the requirements of which are set forth at Exhibit B.

4.9. Education of Students with Disabilities. The **Charter Governing Board** shall provide services and accommodations to students with disabilities as set forth for each school in the Terms of Operation and the Individuals with Disabilities Education Act (20 U.S.C. § 1401 et seq.) (the "IDEA"), the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) (the "ADA"), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) ("Section 504"), all applicable regulations promulgated pursuant to such federal laws, and the individualized education program ("IEP") of each student as determined by the IEP Team formed consistent with 34 CFR § 300.321. Each school shall provide such appropriate and required services either directly, cooperatively with another school operated by the **Charter Governing Board**, or by contract with another provider.

5. School Personnel

5.1. Status. The **Charter Governing Board** shall employ and/or contract with necessary personnel. The **Charter Governing Board** shall provide written notice to the **Board of Public Education** within five (5) business days of the hiring or departure (by resignation or dismissal) of the administrator, principal, or head of any school, however designated. The organizational structure of the **Charter Governing Board** and each school shall be consistent with the structures set forth in the Terms of Operation.

5.2. Personnel Policies; Staff Responsibilities. The **Charter Governing Board** shall make available in written form its hiring and personnel policies and procedures for the school, including the qualifications required by the **Charter Governing Board** in the hiring of teachers, school administrators, and other school employees as well as a description of staff responsibilities. Such policies and procedures shall be consistent with those set forth in the Terms of Operation, and should clearly indicate that the **Board of Public Education** shall have access to all personnel files to the extent permissible by law.

5.3. Background Checks; Fingerprinting. The **Charter Governing Board** shall establish, maintain, and implement procedures for conducting fingerprint-based background checks.

6. Financial Operations

6.1. Management and Financial Controls.

6.1.1. The **Charter Governing Board** shall at all times maintain appropriate governance and managerial procedures and financial controls and maintain the same at each public charter school, program or other activity operated by the **Charter Governing Board**.

6.1.2. The **Charter Governing Board** shall provide a statement to the **Board of Public Education**, no later than one hundred and twenty (120) days after the date of execution of the **Charter Contract**, concerning the status of management and financial controls

(the "Initial Statement") of the school. The Initial Statement must address whether the **Charter Governing Board** has documented adequate controls at that school relating to:

6.1.2.1. (i) preparing financial statements in accordance with generally accepted accounting principles ("GAAP");

6.1.2.2. (ii) payroll procedures;

6.1.2.3. (iii) accounting for contributions and grants;

6.1.2.4. (iv) procedures for the creation and review of financial statements, which procedures shall specifically identify the individual who will be responsible for preparing and reviewing such financial statements for the **Charter Governing Board** and for each applicable public charter school; and,

6.1.2.5. (v) appropriate internal financial controls and procedures.

6.2. The Initial Statement shall be reviewed and ratified by the **Charter Governing Board** prior to its submission to the **Board of Public Education**.

6.2.1 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are substantially similar (i.e., no material difference) with financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall include a copy of its most recent completed audit when submitting the Initial Statement. The **Board of Public Education** may require additional evidence to verify the correction of any deficiencies noted in the audit.

6.2.2 If the financial controls proposed in the **Charter Governing Board**'s Initial Statement are materially different from financial controls currently in place and used by the **Local school board**, the **Charter Governing Board** shall retain, when possible, an independent certified public accountant or independent certified public accounting firm licensed in the State to perform an agreed-upon procedures engagement. The purpose of the engagement will be to assist the **Charter Governing Board** in evaluating the Initial Statement and the procedures, policies, and practices established thereunder. The **Board of Public Education** may require additional evidence to verify the correction of all such deficiencies.

6.3. Financial Statements; Interim Reports. During the first year of operation, the **Charter Governing Board** shall prepare and submit to the **Board of Public Education** a quarterly unaudited report of expenses for that preceding quarter in such form and electronic format as prescribed and disseminated by the **Board of Public Education.**

6.4. Audits.

6.4.1. For so long as the Office of Public Instruction's currently operative audit letter does not identify charter school financial statements as a category that must be audited, the **Charter Governing Board** shall retain either an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Charter Governing Board**'s annual financial statements related to public charter schools in accordance with 2-7-503, MCA. Should the Office of Public Instruction's currently operative audit letter identify charter school financial statements as a category that must be audited, however, the **Charter Governing Board** shall retain an independent certified public accountant or certified public accounting firm licensed in the State to perform an audit of the **Local school board**'s annual financial statements in accordance with 2-7-503, MCA. The independent audit of the **Charter Governing Board**'s financial statements must be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, as well as any additional requirements and guidelines that may be provided by the **Board of Public Education**. The audited financial statements must be submitted to the **Board of Public Education** within ten (10) business days of receipt of any such complete and final audit report.

6.4.2. A **Charter Governing Board** that contracts with an Educational Service Provider must submit to the **Board of Public Education** audited financial statements of the Educational Service Providers by October 31 of each year.

6.5. Fiscal Year. The fiscal year of the **Charter Governing Board** shall begin on July 1 of each calendar year of the term of the initial **Charter Contract** and shall end on June 30 of the subsequent calendar year.

6.6. Annual Budgets and Cash Flow Projections.

6.6.1. Except in the first year of operation, a **Charter Governing Board** shall prepare and provide to the **Board of Public Education** a copy of its annual budgets and cash flow projections for each public charter school it has been authorized to operate each fiscal year by no later than August 30 of the fiscal year. All annual budgets and cash flow projections shall be in such form and electronic format as prescribed and disseminated by the **Board of Public Education**.

6.6.2. If the material provisions of the annual budgets and cash flow projections of the public charter school are contained in the financial reports, budgets, and/or cash flow projections of the **Local school board**, the **Charter Governing Board** need not submit additional annual budgets or cash flow projections.

6.7. Funding. A public charter school will receive a basic entitlement in the first year of operation. If after the October and February enrollment count, a public charter school does not meet the eligibility requirements for separate budget unit status and basic entitlement pursuant to 20-6-812, MCA, a public charter school will not receive a basic entitlement the following year.

7. Reporting Requirements

7.1. Annual Reports. No later than July 1 succeeding a school year in which any public charter school provided instruction, the **Charter Governing Board** shall submit to the **Board of Public Education** an Annual Report for each such public charter school setting forth the academic program and performance of each public charter school for the preceding school year. The Annual Report shall be in such form as shall be prescribed by the **Board of Public Education** and shall include at least the following components.

7.1.1. A discussion of each school's progress made towards achievement of the goals set forth in the Terms of Operation including its Performance Framework.

7.1.2. A report on the progress of each public charter school in meeting the goals and measures of the Performance Framework during the last school year (the "Performance Framework Progress Report"). The Performance Framework Progress Report must contain data addressing each goal and measure in the school's Performance Framework and should report data as may be required by the **Board of Public Education** in order for the **Board of Public Education** to substantiate outcomes. The Performance Framework Progress Report shall be prepared pursuant to any requirements set forth by the **Board of Public Education**. Should the Performance Framework Progress Report indicate that the school has not met one or more of the goals in its Performance Framework, the **Board of Public Education** may require the **Charter Governing Board** to submit a corrective plan for the school pursuant to this **Charter Contract**.

7.1.3. The statement of assurances relating to compliance with requirements under the **Charter Contract** and applicable law, the form and requirements of which shall be determined by the **Board of Public Education**.

7.1.4. A brief statement setting forth changes to the school's educational program and mission as well as governing and organizational structures, during the previous fiscal and school year.

7.2. Financial Reports. The **Charter Governing Board** shall provide the financial reports required by this **Charter Contract** pursuant to the terms and dates specified therein.

8. Renewal, Corrective Action, and Termination
   8.1. School Renewal. No later than June 30 of each year, the **Board of Public Education** shall issue a public charter school performance report and charter renewal application guide to the **Charter Governing Board** of any public charter school whose charter will expire the following year. The performance report must summarize the public charter school's performance record and must provide notice of any weaknesses or concerns perceived by the **Board of Public Education** that may jeopardize renewal if not rectified. The **Charter Governing Board** shall respond to the performance report and submit any corrections or clarifications within 90 days.
   8.2. No later than February 1, the **Charter Governing Board** shall submit to the **Board of Public Education** a renewal application to extend the authority to operate a school (the "School Renewal Application"). The School Renewal Application shall conform to 20-6-809, MCA, and the **Board of Public Education**'s guidelines and contain:
      8.2.1. a report of the progress of the school in achieving the educational objectives set forth in the Terms of Operation;
      8.2.2. a detailed financial statement disclosing the cost of administration, instruction, and other spending categories for the school that will allow a comparison of such costs to other schools;
      8.2.3. copies of each of the Annual Reports of the school including the school report cards and certified financial statements;
      8.2.4. evidence of parent and student satisfaction at the school; and
      8.2.5. such other material and information as is required by the **Board of Public Education**.
   8.3. Approval or Denial of School Renewal. The **Board of Public Education** shall either approve or deny the School Renewal Application. In the event that the School Renewal Application is not approved, the **Charter Governing Board** shall close the school at the end of the school year that corresponds with the end of the period the **Charter Governing Board** may operate the school pursuant to this **Charter Contract**, and the **Charter Governing Board** shall follow the procedures for school closure as established by the **Board of Public Education**. In the event that the School Renewal Application is granted in whole or part, the **Board of Public Education** shall enter into a proposed renewal **Charter Contract** to allow the **Charter Governing Board** to operate the school for an additional period of time in accordance with the **Board of Public Education**'s renewal practices. Nothing herein shall obligate the **Board of Public Education** to approve a School Renewal Application.
   8.4. Corrective Plans. If the **Board of Public Education** determines that the **Charter Governing Board** or any of its charter schools, programs or sites is not progressing toward one or more of the performance or education goals set forth in the **Charter Contract**, that the quality of a charter school's, program's or site's educational program or the **Charter Governing Board**'s governance practices are not satisfactory, or that the **Charter Governing Board** or any of its charter schools or sites is not in compliance with the terms and conditions of the **Charter Contract** including the Monitoring Plan, then the **Board of Public Education**, in consultation with the **Charter Governing Board**, may develop and require the **Charter Governing Board** to implement a corrective plan ("Corrective Plan"). Nothing contained herein shall require the **Board of Public Education** to undertake the development of a Corrective Plan to terminate the authority to operate a charter school, site or program, place the **Charter Governing Board** on probationary status, or initiate mandatory remedial action in accordance with the Act or the **Charter Contract**. The terms and conditions of a remedial plan may include, but are not limited to, the termination of the authority of the **Charter Governing Board** to operate a particular charter school, site, or program.
   8.5. Grounds for Charter Termination or Revocation. The **Charter Contract** may be terminated and revoked:
      8.5.1. by the **Board of Public Education** in accordance with the Act; or,
      8.5.2. by mutual agreement of the Parties hereto.

8.6. Grounds for School Closure. The **Charter Governing Board**'s authority to operate any charter school, site, or program may be terminated or revoked:

8.6.1. should the **Board of Public Education** determine that one of the grounds set forth in the Act apply to such charter school, site, or program; or

8.6.2. by mutual agreement of the Parties hereto.

8.7. Notice and Procedures.

8.7.1. Should the **Board of Public Education** determine that one of the grounds for termination or revocation of the **Charter Contract** as defined under the Act has occurred or is occurring, the **Board of Public Education** may, at their discretion, elect as follows:

8.7.1.1. to terminate the **Charter Contract**; or

8.7.1.2. terminate the **Charter Governing Board**'s authority to operate one or more charter schools, programs, or sites, or any combination thereof; or,

8.7.2. Should the **Board of Public Education** elect to terminate the **Charter Contract**, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed termination. Such notice shall include a statement of reasons for the proposed termination. Prior to termination of the **Charter Contract**, the **Charter Governing Board** shall be provided an opportunity to be heard and present evidence in opposition to termination.

8.7.3. Should the **Board of Public Education** elect to terminate the authority of the **Charter Governing Board** to operate a charter school or site, the **Board of Public Education** shall provide notice of such to the **Charter Governing Board** at least thirty (30) days prior to the effective date of the proposed action.

8.8. Effect of Termination. In the event of termination of the **Charter Contract**, whether prematurely or otherwise, the **Charter Governing Board** agrees to follow any additional procedures required by the **Board of Public Education** to ensure an orderly dissolution or transition process, including the implementation of a school closure plan as provided by the **Board of Public Education**.

9. Other Covenants and Warranties

9.1. Indemnification and Acknowledgements

9.1.1. Indemnification. The **Charter Governing Board** shall indemnify, defend, save and hold harmless the **Board of Public Education**, the State of Montana, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the **Charter Governing Board** or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of the **Charter Governing Board** to conform to any federal, state, or local law, statute, ordinance, administrative rule, regulation, or court decree that is applicable to the **Charter Governing Board**. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the **Charter Governing Board** from and against any and all claims. It is agreed that the **Charter Governing Board** will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this **Charter Contract**, the **Charter Governing Board** agrees to waive all rights of subrogation against the State of Montana, its officers, officials, agents, and employees for losses arising from the work performed by the **Charter Governing Board** for the State of Montana.

9.1.2. Immunity. The parties acknowledge that, pursuant to law, the **Board of Public Education**, its members, officers, and employees shall enjoy all immunities from liability as provided under the law. Nothing in this **Charter Contract** shall be construed as a waiver of any rights, limits, protections, or defenses provided by any sovereign or governmental immunity laws.

9.1.3. Debts and Financial Obligations. The parties acknowledge that neither the **Board of Public Education**, the State of Montana, or its agencies, boards, commissions, or divisions are liable for the debts or financial obligations of a public charter school or persons or entities that operate public charter schools.

9.2. Charter Revision. This **Charter Contract** may be revised only by written consent of the Parties hereto.

9.3. Assignment. This **Charter Contract** may not be assigned or delegated by the **Charter Governing Board** under any circumstances, it being expressly understood that the rights and obligations granted hereby runs solely and exclusively to the benefit of the **Charter Governing Board**.

9.4. Notices. Any notice, demand, request, or submission from one Party to any other Party or Parties hereunder shall be deemed to have been sufficiently given or served for all purposes if it is delivered in writing via electronic mail as an attachment thereto with a legally valid and binding electronic signature or an electronic image of a physical signature (.pdf or similar format), and as of the date upon which the sender receives receipt of confirmation generated by the recipient's electronic mail system that the notice has been received by the recipient's electronic mail system, to the Parties at the following addresses:

If to the **Charter Governing Board**:

Zeke Kaney, High School Principal
300 Park Avenue
Stevensville, MT 59870
kaneyz@stevensville.k12.mt.us

If to the **Board of Public Education:**

McCall Flynn
PO Box 200801
Helena, MT 59620
bpe@mt.gov

9.5. Severability. In the event that any provision of this **Charter Contract** or the Terms of Operation thereof to any person or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this **Charter Contract** and the application of such provision to persons or circumstances other than those as to which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this **Charter Contract** shall continue to be valid and may be enforced to the fullest extent permitted by law.

9.6. Entire Charter. The **Charter Contract** supersedes and replaces any and all prior agreements and understandings between the **Board of Public Education** and the **Charter Governing Board** as it relates to the creation of a particular public charter school. To the extent that any conflict or incompatibility exists between the Terms of Operation and the other terms of this **Charter Contract**, such other terms of this **Charter Contract** shall control.

9.7. Construction. This **Charter Contract** shall be construed fairly as to both Parties and not in favor of or against either Party, regardless of which Party prepared the **Charter Contract**.

STEVENSVILLE HEALTH SCIENCE ACADEMY

By_____
Ben Meyer, Chair of the Charter Governing Board

MONTANA BOARD OF PUBLIC EDUCATION

By_____
Dr. Tim Tharp, Chair of the Montana Board of Public Education

Exhibit A – Terms of Operation

Part I – Specific Terms
Additional Terms of Operation will be added at a later date, based on the timeline outlined for submission above. The **Board of Public Education** will communicate this timeline and submission expectations at a later date.

The **Charter Governing Board** shall provide educational services, including the delivery of instruction, to students at the following location(s):

Stevensville High School
Stevensville Health Science Academy
300 Park Avenue
Stevensville, MT 59870

Part II – Charter Application
The **Board of Public Education** will include the Charter Application submitted by the **Charter Governing Board** for execution of the **Charter Contract**.

Exhibit B – Monitoring Plan

Part I – Monitoring Plan

As provided in the **Charter Contract**, the **Charter Governing Board** agrees to abide by a **Monitoring Plan**, the general components of which are set forth below. The requirements of the **Monitoring Plan**, are in addition to any notification, record-keeping, or reporting requirements set forth in the **Charter Contract** or applicable law including any obligation to receive the written approval of the **Board of Public Education**, and/or to seek approval for revision of the **Charter Contract** pursuant to applicable law.

A. The **Charter Governing Board** shall maintain the following records in its offices for inspection by the **Board of Public Education** and/or its designee:
   1. Records concerning the enrollment and admissions process including all applications received and documents concerning the lottery process if conducted;
   2. Student academic and health records;
   3. Attendance records for students including withdrawals of students from each **school** and the reason(s) for such withdrawals;
   4. Individual Education Programs and other documentation concerning the Individuals with Disabilities Education Act ("IDEA") as well as documentation concerning section 504 of the Rehabilitation Act of 1973 for children with disabilities enrolled in each school;
   5. Staff rosters including records of hiring, resignation, and termination of employees;
   6. Evidence of credentials and/or qualifications for all teachers;
   7. Evidence that required fingerprint-based background checks have been conducted for all applicable school employees;
   8. Certificates of occupancy or other facility-related certification or permits;
   9. Lease agreements and/or mortgages or deeds;
   10. Loan documents;
   11. Contracts in excess of $1,000 including management contracts;
   12. **Charter Governing Board** or **school** policies in areas such as financial management, personnel, student discipline (including suspension and expulsion), complaints, health and safety, student privacy and transportation, Public Right to Know Laws and Open Meetings Laws and other areas required by the **Charter Contract** or law;
   13. Grievances made by students, parents, teachers, and other employees to the **Charter Governing Board** together with documentation of all actions taken in response;
   14. Inventory of all assets of the **Charter Governing Board** that have been purchased with public funds including grant funds;
   15. Documents sufficient to substantiate each **school**'s progress on the measurable goals set forth in its Performance Framework; and,
   16. Student level discipline records including, but not limited to, information regarding in-school and out-of-school suspensions, and expulsions for all students (including students with disabilities) available by grade and year reflecting:
      a. number of suspension/expulsion incidents; and,
      b. number of different students involved in suspension/expulsion incidents.

B. To corroborate information submitted by the **Charter Governing Board** to the **Board of Public Education**, and in order to ensure compliance with the Act and the **Charter Contract**, the **Board of Public Education** or its designee will:
   1. Make at least one visit to each **school** in its first year of operation. Such visits may include an inspection of the physical plant, all categories of records set forth in subsection A of the Monitoring Plan, interviews with the administrator of the school and other personnel, and

observation of instructional methods. Visits in later years may decrease in frequency and be conducted by **Board of Public Education** designees;

2. During the first term of authority to operate a **school**, make at least one other visit to a school, which may be announced or unannounced. In subsequent terms, the **Board of Public Education** may conduct visits on a sampling basis for schools that demonstrate high levels of academic and fiscal soundness, compliance with applicable laws, rules, and regulations, and whose academic performance makes it likely they will improve student learning and achievement;
3. Require the **Charter Governing Board** to make available necessary information in response to the **Board of Public Education**'s inquiries including information necessary to prepare annual or semi-annual evaluations of each school's financial operations, academic program, future outlook, and other areas;
4. Conduct internal investigations as appropriate on its own initiative or in response to concerns raised by students, parents, employees, local school districts and other individuals or groups. Where appropriate, the **Board of Public Education** shall issue remedial orders as permitted by the **Charter Contract** or applicable law; and
5. Review as necessary the **Charter Governing Board**'s and its **schools**' operations to determine whether any changes in such operations require formal revision of the **Charter Contract** and, if so, determine whether such revision should be recommended for approval.

C. The **Charter Governing Board** shall track, and maintain information regarding, the following information:
   1. A copy of all minutes from each of its meetings, committee meetings and executive sessions of the meeting or session pertaining to the **school**;
   2. An updated list of trustees and officers of any such person's election; removal; resignation; expiration of term without re-election; or, otherwise leaving the **Charter Governing Board**;
   3. An updated list of each administrator, principal, or head of school for each **site** of each **school**, however designated;
   4. Any and all student-level suspensions (including in-school and out-of-school suspensions of less than one-day) and expulsions including, but not limited to:
      a. The date the disciplinary action was instituted;
      b. The duration of any suspension;
      c. The reason for such suspension or expulsion;
      d. The student's status as an English Language Learner ("ELL"), a student with a disability under the IDEA or a student who qualifies for the federal Free or Reduced Price Lunch program("FRPL");
      e. Other student demographic information; and
   5. Any and all student-level enrollment and retention information including, but not limited to:
      a. The date of any student withdrawal, transfer or discharge;
      b. The reason for each withdrawal, transfer or discharge;
      c. The student's status as an ELL, student with a disability under the IDEA or a FRPL student; and,
      d. Other student demographic information.

Exhibit C – Performance Framework

Part I – Academic Performance Framework and Evaluation

A. The **Charter Governing Board** shall adhere to the provisions in Title 20 of the Montana Code Annotated and Title 10 of the Administrative Rules of Montana and any state or local rule, regulation, policy, or procedure relating to noncharter public schools within the located school district.

B. The **Charter Governing Board** shall identify a performance framework as prescribed in 20-6-809, MCA, that clearly sets forth the academic and operational performance indicators, measures, and metrics which include:
   1. school achievement goals;
   2. student academic proficiency;
   3. student academic growth;
   4. achievement gaps in both proficiency and growth between major student subgroups;
   5. attendance;
   6. support for transitions;
   7. student engagement;
   8. recurrent enrollment from year to year;
   9. postsecondary readiness;
   10. financial performance and sustainability; and
   11. **Charter Governing Board** performance and stewardship, including compliance with all applicable laws, regulations, and terms of the **Charter Contract**.

Exhibit D – Assurances and Variances to Standards

Part I – Assurances Regarding Students with Disabilities

A. The **Charter Governing Board** provides the following assurances regarding the provision of education and other services to students with disabilities to be enrolled at each proposed charter school.
   1. The **Charter Governing Board** will adhere to all provisions of federal law relating to students with disabilities including the IDEA, Section 504, and Title II of the ADA which are applicable to it;
   2. The **Charter Governing Board** will, consistent with applicable law, be a Local Education Agency (LEA) that will ensure that all students with disabilities that qualify under the IDEA:
      a. have available a free appropriate public education ("FAPE");
      b. are appropriately evaluated;
      c. are provided with an IEP;
      d. receive an appropriate education in the least restrictive environment (LRE);
      e. are involved in the development of and decisions regarding the IEP, along with their parents;
      f. have access to appropriate procedures and mechanisms, along with their parents, to resolve any disputes or disagreements related to a school's or school district's provision of FAPE;
   3. Unless otherwise approved by the **Board of Public Education**, the **Charter Governing Board** shall assign a qualified employee whose responsibility it is to ensure implementation of the public charter school's responsibilities under IDEA and Section 504;
   4. Each school will make available, as required by IDEA regulations, a student's regular and special education teachers (and other required school personnel) for meetings convened by such student's IEP Team;
   5. Each school will abide by the applicable provisions and regulations of the IDEA and the Family Educational Rights and Privacy Act (FERPA) as they relate to students with disabilities including, but not limited to, having procedures for maintaining student files in a secure and locked location with limited access;
   6. Each school will comply with the Office of Public Instruction data and reporting requirements in compliance with federal law and regulations; and
   7. Each school will comply with its obligations under the Child Find requirements of IDEA including 34 C.F.R. § 300.111, and will provide appropriate notification to parents in connection therewith as applicable, including notifying them prior to potential evaluation.

Part II – Assurances Regarding Indian Education for All (IEFA)

A. The **Charter Governing Board** provides the following assurances regarding the provision of IEFA at each proposed charter school.
   1. The **Charter Governing Board** recognizes that it is the constitutionally declared policy of the State to recognize the distinct and unique cultural heritage of American Indians and to be committed in its educational goals to the preservation of the cultural heritage of American Indians;
   2. The **Charter Governing Board** shall ensure that all students utilizing educational programs provided by a charter school, whether Indian or non-Indian, learn about the distinct and unique heritage of American Indians in a culturally responsive manner;
   3. The **Charter Governing Board** shall work cooperatively with Montana tribes or those tribes that are in close proximity, when providing instruction or when implementing an educational goal or adopting a rule related to the education of each Montana citizen, to include information specific to the cultural heritage and contemporary contributions of

American Indians, with particular emphasis on Montana Indian tribal groups and governments; and

4. Predicated on the belief that all school personnel should have an understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents, the **Charter Governing Board** shall provide means by which school personnel will gain an understanding of and appreciation for the American Indian people.

Part III – Variances to Standards

A. Variances to Existing Standards: The **Board of Public Education** does not authorize any variances to standards as part of this **Charter Contract** to meet the intended outcomes of the proposed academic program of the **school**.

B. Additional variance to standards requests may be approved in accordance with ARM 10.55.604 or amendment to this Exhibit. An application for variance to standards is due in writing to the Superintendent of Public Instruction no later than the second Monday in October for the current academic year.