

CHARTER SCHOOL SERVICES AGREEMENT

This Charter School Services Agreement (“Agreement”) is effective on 12/??/2023 by and between Students Prepared to Succeed, a Charter Management Organization incorporated as a Minnesota nonprofit corporation (“CMO”), and Hennepin Schools, public charter school district number 4205 07, a Minnesota nonprofit corporation (“School”).

RECITALS

WHEREAS, School is a public charter school duly created under Minnesota law and upon approval of the Minnesota Department of Education;

WHEREAS, School is incorporated as a Minnesota nonprofit corporation;

WHEREAS, School provides educational services to certain eligible pupils;

WHEREAS, School believes that its ability to provide exceptional educational instruction to enrolled pupils will be enhanced by contracting for certain services, including some or all of its management, administrative, curriculum and operational needs, while retaining the School Board’s independent authority and responsibilities;

WHEREAS, the CMO is a nonprofit charter management organization providing management, administration, educational leadership and operational services to schools that promote a school’s ability to provide exceptional educational instruction and enhanced learning and personal growth of students; and

WHEREAS, School and CMO desire to enter into this Agreement for educational and other school related services on the terms and conditions set forth herein.

DEFINITIONS

As used in this Agreement and solely for purposes of this Agreement, the following terms shall have the meanings ascribed below unless otherwise indicated.

1. “Applicable Law” means all state and federal laws applicable to Minnesota charter schools and any regulations implemented pursuant thereto, including without limitation, the Minnesota Charter School Act, Minnesota Statutes, chapter 124E.
2. “MDE” means the Minnesota Department of Education.
3. “Authorizer” means the School’s current authorizer.
4. “Charter Agreement” means the Charter School Authorizer Agreement between the School and the Authorizer.
5. "School Board" means the Board of Directors of the School.

EXHIBITS

The following exhibits are made part of and incorporated in this Agreement:

Schedule I – Scope of Services.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, School and CMO hereby agree as follows, with the intent to be legally bound thereby.

1. **Relationship of the Parties.**

- a. The School Board is solely and independently responsible for policy matters related to operating the School, including budgeting, curriculum programming, personnel, and operating procedures, as provided by Applicable Law. This Agreement shall be subordinate to such School Board responsibilities, and the parties shall at all times interpret and implement this Agreement subject to such responsibilities and Applicable Law.
- b. All employees of the School are employees of the School Board.
- c. Nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship, or an agency relationship.
- d. Any existing services agreement between the parties is terminated upon execution of this Agreement.

2. **External Review.**

School will ensure that a copy of this Agreement is submitted to the Authorizer and any other third party if required by Applicable Law for review and comment.

3. **Term.**

The term of this Agreement shall begin on the effective date listed above and end on June 30, 2024, unless terminated sooner, renewed or extended in accordance with this Agreement.

4. **Early Termination.**

- a. This Agreement may be terminated before the end of the Term upon occurrence of one or more of the following events:
 - i. School's contract with the Authorizer is terminated unless a new authorizer contract is executed within a reasonable time;

- ii. Both parties consent in writing to the termination of this Agreement;
 - iii. Either party breaches any of the material terms and conditions of this Agreement;
 - iv. Either party breaches any of the material terms and conditions of the Charter Agreement;
 - v. Either party, their employees, agents or directors engages in fraudulent, criminal or grossly negligent conduct;
 - vi. Either party is liquidated or dissolved;
 - vii. A third party files an involuntary bankruptcy petition against either party, which has not been dismissed or withdrawn within ninety (90) days of filing;
 - viii. Either party files a voluntary bankruptcy petition;
- b. At CMO's sole discretion, CMO may terminate this Agreement if School fails to pay CMO within thirty (30) days of receiving written notice that such fees are overdue, excluding payments resulting from a good faith payment dispute between the parties;
 - c. No termination triggered by a breach shall be effective until the breaching party has been notified in writing of the specific breaches and the breaching party fails to cure such breach within 30 days after receipt of written notice explaining the breach from the other party
 - d. In the event of early termination, CMO shall provide reasonable Services to enable the School to transition the Services to others, as applicable.
 - e. In the event of early termination, the School shall compensate CMO for all Services rendered under the terms of this Agreement.

5. **CMO Responsibilities.**

- a. CMO shall provide the services described on the attached Schedule I to School ("Services") subject to the direction, oversight and policies of the School Board, School Executive Director and the requirements of the Charter Agreement, any funding agreements entered into by the School, and Applicable Law. Note: Most services in Schedule I do not apply since SPS is providing specific services. This contract would allow SPS to work with the HS Board, School, and related parties to provide a program principal, staffing services, recruitment of students, and the development of an expansion to high school (9-12).

- b. CMO shall perform the Services in a prompt, professional and businesslike manner, using its best skill and attention.
- c. CMO shall have the authority and power necessary to undertake the Services, including implied powers in addition to any specific powers provided herein, subject to the Charter Agreement and Applicable Law; provided, however, that all expenditure decisions require prior approval by the School Board. At all times, CMO shall provide data requested by the School Board to allow the School Board to determine whether CMO has complied with the Applicable Law and the Charter Agreement.
- d. CMO shall implement industry standards, practices and procedures for the segregation of duties to mitigate risk of error, misuse of funds or fraud.
- e. CMO shall maintain the School's financial accounts and funds as separate and independent accounts as required by law, which shall be subject to the control of the School Board. CMO shall not commingle any funds or other assets owned by School with any funds or assets of CMO or any other entity.
- f. CMO shall maintain all data, books and records, financial and otherwise, pertaining to the Services or the School separate and discrete from data, books and records of other schools or entities. Upon reasonable notice and mutually convenient times, the School shall have the right to visit, examine, inspect and copy CMO's books and records pertaining to any and all services provided to School by CMO.
- g. CMO acknowledges that by operation of this Agreement and the Services provided hereunder, CMO is subject to and must comply with the Minnesota Government Data Practices Act and the Family Education Rights and Privacy Act as if it were a government entity, but only with respect to the Services provided under this Agreement. The parties shall comply with the following data sharing protocols:
 - i. *Authority.* CMO is a contractor to whom School has outsourced institutional services and functions, and shall be considered a school official for the purposes of the disclosure of educational data, as permitted by 20 U.S.C. §1232g, 34 C.F.R. §99.1(a)(1)(i)(B), and Minn. Stat. §13.32, subd. 3(e). Data sharing is further permitted by Minn. Stat. §13.05, subds. 6 and 11.
 - ii. *Scope.* Data shall be disclosed by School, and accessed by CMO, only to the extent reasonable and necessary for CMO to perform the Services.
 - iii. *Methods.* The parties shall observe industry standards and practices in the handling of data and to protect the data from unauthorized

access. In the event of a data breach or suspected data breach, the party discovering the incident shall immediately notify the other party, and the parties shall thereafter immediately confer and determine an appropriate response action.

- iv. *Compliance.* CMO shall comply with School's data retention obligations, and Applicable Law with respect to the management of School's data.
- h. Should CMO become aware of a conflict of interest as defined under Applicable Law, CMO shall notify the School Board in writing within 7 calendar days. The parties shall promptly take action to resolve the conflict.
- i. Any changes to the Services in Schedule I require written consent from both the School Board and CMO.
- j. All employees or contractors of CMO that have direct, regular contact with students of the School are subject to a criminal background investigation in compliance with Applicable Law.
- k. In the event of the closure of the School during the Term, CMO shall provide reasonable assistance to the School within the scope of the Services. A school closure during the term of the contract by the Authorizer or board of directors renders this contract null and void.
- l. CMO shall maintain transparent financial records, and comply with all tax laws and regulations, including the annual filing of IRS Form 990.
- m. Any services not provided by CMO are reserved to the School Board.

6. Compensation

- a. *General.* The School Board retains the authority to review, validate and approve all payments made to CMO under this Agreement.
- b. *Program Principal:*

Hennepin schools will pay SPS \$95,599 for a program principal of plus 15% for benefits plus \$15,000 recruitment fee.
- c. *Two thousand five hundred dollars (\$2,500) for every staff hired by HS who is recruited/referred by SPS.*

Invoicing. CMO shall invoice School on a prorated monthly basis during the school year, with each payment due thirty (30) days after issuance of the invoice. Each invoice shall provide an itemization of the Fees and date of service. Upon request of the School, CMO

shall provide supporting documentation. CMO is responsible for all CMO expenses and overhead incurred performing the Services except as provided in this Agreement.

d. Total dollar amount not to exceed: \$135,000.00 through June 30, 2023.

7. Independence and Responsibility of School.

- a. At all times, the School Board retains the authority to review, approve or reject decisions made by CMO, including awarding contracts, making expenditures and personnel decisions..
- b. The School Board shall maintain independent oversight and fiduciary responsibility over the School budget at all times. All expenditures undertaken by CMO on behalf of the School shall comply with the budget approved by the School Board.
- c. The School Board shall retain control of the school's financial account(s). All payments to the School from the State or other grant-making organizations shall be made to an account controlled by the School Board.
- d. All instructional materials, furnishings, equipment and property purchased for School with federal or state funds are the property of School. Intellectual property developed through performance of the Services shall be owned mutually by School and CMO, except that such property developed solely with School resources shall be the property of School.
- e. In the event of a conflict between this Agreement and the Charter Agreement, the Charter Agreement shall control.
- f. The dissolution of the School shall be governed solely by the terms of the Charter Agreement and Applicable Law.
- g. The School Board shall select, retain and compensate all attorneys and auditors performing professional services on behalf of the School.
- h. **Annual Review and Evaluation.** On or before July 15 after the completion of the school year, the School Board may prepare a written report of the performance of CMO for such school year. The purpose of this review shall be to consider improvements in the delivery and effective use of the Services and to determine whether any amendments to this Agreement and/or the Schedule of Services are mutually desired.

8. Warrants, Representations and Miscellany.

- a. *Arms-Length Agreement.* Each party represents that they have each entered into this Agreement without coercion or undue influence, and this Agreement was

negotiated at arms-length. Each Party has had an opportunity to be represented by counsel of their choosing throughout all negotiations that have preceded the execution of this Agreement, and each has executed this Agreement with the advice of said counsel, and acknowledge that they have carefully examined this Agreement and fully understand and agree to each of its provisions

- b. *Authority.* The parties each have the power and authority to enter into and perform this Agreement, and the execution and performance of this Agreement has been duly authorized by all appropriate and necessary action.
- c. *Entire Agreement.* This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, written or oral, relating to the subject matter of this Agreement, the provisions of which may not be changed, waived, or canceled orally, but may be changed, waived, or canceled only by an instrument in writing signed by the parties. There are no undisclosed agreements or commitments between or among the parties regarding the matters subject to the terms of this Agreement.
- d. *Severability.* If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nonetheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or unenforceable in any respect, the parties shall negotiate in good faith to modify this Agreement to effect the original intent of the parties as closely as possible in a mutually acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible
- e. *Conflicts of Interest,* School and CMO are not aware of any conflicts of interest between their organizations and between their respective staffs, as defined by Applicable Law.
- f. *Governing Law.* This Agreement shall be governed in all respects, including without limitation validity, interpretation and effect, by the laws of the State of Minnesota.
- g. *All Terms Binding.* Each and every term and provision of this Agreement is contractual and binding and is not a mere recital.
- h. *Non Waiver.* The failure of any party to insist upon strict performance of any of the provisions of this Agreement or to exercise any of its rights under this Agreement shall not waive such rights and such party shall have the right to

enforce such rights at any time and take such action as may be lawful and authorized under this Agreement or Applicable Law.

- i. *No Third Party Beneficiaries.* The provisions of this Agreement are for the benefit of the parties only and are not for the benefit of any third party. No third party shall have the right to enforce the provisions of this Agreement.
- j. *Assignment.* This Agreement may not be assigned by either School or CMO without written consent.
- k. *Dispute Resolution.* If a dispute arises out of this Agreement, or the breach thereof, the parties agree first to try in good faith to resolve the dispute by informal negotiation or mediation (without a mediator unless the parties agree otherwise) before resorting to formal alternative dispute resolution proceedings. Any dispute arising out of or related to this Agreement shall be resolved by means of arbitration. If the parties cannot agree upon an arbitrator, one shall be appointed by a court of competent jurisdiction within the State of Minnesota.
- l. *Execution.* This Agreement may be executed in counterparts, which together shall have the same force and effect as a single original executed by the parties. Electronic signatures shall have the same force and effect as original signatures. Each party agrees to take such steps and to execute such additional documents as may be reasonably necessary or proper to carry out and effectuate the terms and purpose of this Agreement.
- m. *Notice.* Any notice required or permitted by this Agreement shall be in writing and shall be deemed delivered (i) upon receipt, when delivered personally, by courier, by overnight delivery service, or by facsimile transmission if such transmission produces a confirmation of receipt, (ii) three days after being deposited in certified or registered mail with postage prepaid. Notices shall be delivered to each party's address or facsimile number as set forth below, or as subsequently modified by written notice in accordance with this section. Courtesy copies shall be delivered via email.

School	CMO
Hennepin Schools Attn. Dr. Charlayne Myers, Board Chair 1001 East 46th Street Minneapolis, MN 55407 612-817-7897 cmyers@hennepinschools.org	<i>Students Prepared to Succeed</i> Attn. Kurt Lieberman, Board Chair 724 Bielenberg Dr. # 50 Woodbury, MN 55125 612-267-5562 info@SPScmo.org

- n. *School Insurance.* Throughout the Term, School shall maintain, at its sole cost and expense, commercial general liability insurance coverage with limits and terms it shall reasonably determine. All applicable policies shall be endorsed to include CMO as an additional insured, on a primary and noncontributory basis.
- o. *CMO Insurance.* Throughout the Term, CMO shall maintain workers compensation insurance, employment practices insurance, insurance against student claims, commercial general liability insurance, including personal injury and property damage, product liability insurance, umbrella/excess liability insurance and other insurance which is appropriate in the types of coverage and amounts in the industry in which CMO operates or as deemed necessary by the CMO Board.
- p. *Each Party Participated in Negotiating This Agreement.* Each party, and their respective counsel of choice, cooperated and participated in the negotiation of this Agreement. Any and all drafts relating to this Agreement exchanged among the parties shall be deemed the work product of each and may not be construed against any of them by reason of its drafting or preparation. Any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted or prepared it is of no application and is hereby expressly waived by, and any controversy over interpretations of this Agreement shall be decided without regards to events of drafting or preparation.
- q. *Workforce Protection.*
 - i. Without the prior written consent of CMO, School shall not allow any current or former employee of CMO to perform services at or for the School for a period of (i) one year from the termination of that employee's employment relationship with CMO or (2) one year from the termination of this Agreement, whichever is longer.
 - ii. Without the prior written consent of CMO, School shall not retain any contractor of CMO that provided services to School under the terms of this Agreement for a period (i) one year from the termination of that contractor's relationship with CMO or (2) one year from the termination of this Agreement, whichever is longer.
 - iii. Notwithstanding paragraphs 9.q.1 - .2, School may directly hire or contract with any persons or contractors who were employees of or contracted by School before they became employees or contractors of CMO. The provisions of this paragraph shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date below written.

STUDENTS PREPARING TO SUCCEED

Hennepin Schools

Name: Kurt Lieberman
Title: Board Chair

Name: Dr. Charlayne Myers
Title: Board Chair

Date:

Date:

Schedule I
Scope of Services.

General Management and Compliance

1. Each of the services listed in this schedule may be provided either by CMO employees, CMO contractors, School employees or School contractors.
2. CMO shall perform the Services in consultation with the School Board.
3. CMO will have overall responsibility for: (i) communications between CMO and School as needed to keep the School Board informed of CMO's activities and performance; (ii) compliance with Applicable Law and the provisions of the Charter School Contract with the Authorizer; (iii). Compliance with the provisions of this Agreement; and, (iv) all reporting required of School by Applicable Law, the Charter School Contract with the Authorizer, and with this Agreement.

Reporting Requirements

CMO will produce the following reports:

1. Biannual report to the HS Board on the goals and services.

Curriculum and Academic Support

1. The Hennepin Schools Executive Director will have overall responsibility for setting the curriculum and evaluation protocol, and matters of implementation related to both curriculum and student evaluation. CMO will be available to provide support.
2. The Hennepin Schools Executive School Director will develop and maintain a comprehensive curriculum with support from CMO. This curriculum will be designed specifically:
 - a. to enable the School's students to excel academically and meet standards of the MDE and Applicable Law; and
 - b. to expand and enhance the professional development of the School's Professional Employees which are intended to result in improved student learning.
3. The Hennepin Schools School Executive Director will manage contractual relations with all professional development programs and/or material providers. CMO will be available to provide support.

Student Evaluation

The School's Executive School Director will determine the tools and methods to be used to evaluate student performance, set a schedule for the School's use of those tools and methods, and develop a format and set a schedule for the School to report on student achievement as measured by the evaluation tools and methods and in accordance with the School's contract with the authorizer. CMO will be available to support this work.

Recruitment and Retention of Professional Employees

1. CMO will support Hennepin School's work on programs related to recruiting, developing, evaluation and retaining School Directors (e.g. Principals or Assistant Principals), Instructional Coaches, Teachers and Educational Assistants ("Professional Employees") of the School.
2. CMO will work to expand access to greater diversity among the pool from which qualified candidates may be recruited.
3. CMO will assist the School in searching out qualified candidates the School may hire as its Professional Employees and will be available to support the hiring process, orientation, and training of new hires.
4. CMO will conduct comprehensive staff recruiting and retention activities designed to encourage high performing Professional Employees to continue their employment with the School. Employment of any and all employees is subject to relevant Minnesota and Federal labor laws. The CMO, through the school administration, will provide guidance and assistance as needed.
5. CMO will provide support to the HS Executive School Director in determining the procedures and measurement methods for an "Evaluation Process" to evaluate Professional Employee performance.
6. The School Board retains authority for adoption of personnel evaluation policies and practices, and shall establish qualifications for all persons who hold administrative, supervisory, or instructional leadership roles.
7. CMO will provide BIPOC cohort stipends to encourage recruitment and retention of teachers of color.

School Grade Level Expansion

1. CMO will work with the HS board, school administration, MDE and Authorizer to present a 9-12 grade level expansion.
2. CMO will provide a CSP start up coordinator to work with the Hennepin community to develop and design their 9-12 program model.

Financial Management

1. *General.* CMO has a duty to assist and make recommendations to the Executive Director in managing school financial affairs.
2. *Budgeting.* CMO will assist upon request in developing an annual budget for the School that reflects realistic expectations for revenues and expenses. Not later than June 30 of each year, the School Board will approve the annual budget.

3. *School Board Access.* All financial books and records of the School shall be available for inspection by the School Board.

Purchasing

CMO will serve as the purchasing agent for School for all goods and services within the limitations of the budget approved by the School Board. CMO will make appropriate arrangements for the delivery to the School of the goods or services purchased by the School.

Payroll & Benefits

CMO can assist the Executive Director to manage the payroll and benefits programs for all Employees of the School, including all related record keeping functions upon request

Human Resources

CMO can assist in managing all human resource functions, including compensation and benefits, workers compensation, unemployment compensation, employee evaluations, and the creation and maintenance of an employee handbook upon request.

Operations

CMO will have the duty to assist all programs related to the non-educational operations of the School upon request.

Real Estate and Facilities Management

CMO will assist in managing all relations with the landlord, possible real estate and facilities management related matters necessary to ensure that the School has an appropriate physical plant in which to operate, where necessary. This service includes CMO's assistance / recommendations of custodian services, building repair, and maintenance needs provided by resources contracted by the School.

Transportation Services

Upon request CMO will assist in negotiating contract(s) with providers for adequate transportation services for the School's students. CMO will manage the transportation contract(s) relating to all issues related to student bus service including oversight of bus company performance; supervision and management of student discipline while on the bus; supervision and management of bus arrival and departure processes; management of bus route changes for new students and changes; management of field and special event trips; and management of parent issues and requests related to student transportation upon request.

Information Technology

CMO will assist upon request to provide guidance on the acquisition and maintenance of such information technology necessary to fulfill the curriculum and student evaluation plans and School administrative functions upon request.

Food Services

CMO will assist upon request to provide guidance on the food services provided to the students at the School Upon request.

Health and Safety Services

CMO will assist upon request to provide guidance on all Applicable Law health and safety requirements including compliance with Minn. Stat. § 121A.15, requiring proof of student immunizations.

External Relations

CMO will assist upon request to provide the School, as directed by the School Board, with the development and maintenance of relationships between the School and the community at large, and for the management and organization of all charitable fundraising activities with, among others, individuals, corporations, and foundations.

Branding

CMO will assist upon request to provide and promote a brand identity for the School and key messaging that will be used in connection with all materials related to the School.

Development

CMO will assist upon request to provide both short-term and long-term development activities to engage the philanthropic community in raising funds to be used to enhance the School's programs.

External Communications

CMO will conduct communication activities that will keep the community informed of the achievements and accomplishments of the School, its Professional Employees, and its students.

Volunteer and Community Partnerships

CMO will conduct activities to engage volunteers and the community in the work of the School.

Advocacy

CMO will apply commercially reasonable efforts to develop and pursue both short-term and long-term advocacy programs to advance the interests of the School's students, and the communities it serves, especially in relation to the CMO community of schools.