
**OPERATING AGREEMENT FOR 2003-2004 BETWEEN
CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT AND
THE KID STREET LEARNING CENTER CHARTER SCHOOL**

This agreement is executed between the Board of Education of the City of Santa Rosa Elementary School District (District) and the Board of Directors of the KID STREET LEARNING CENTER CHARTER SCHOOL (KSCS).

RECITALS:

1. The City of Santa Rosa (Elementary) School District is an elementary school district existing under the laws of the State of California.
2. KID STREET LEARNING CENTER CHARTER SCHOOL is or has applied to become a community based, non-profit, public benefit corporation which has sponsored the charter application of KSCS. The Charter School was approved by the Board of Education on April 14, 1999 subject to various conditions that were documented as an information item on the Board of Education agenda of April 28, 1999.
3. The purpose of this agreement is to outline the parties' agreements governing their respective fiscal and administrative responsibilities.
4. KSCS will commence its fifth year of operation in the 2003-04 school year in accordance with the provisions of its proposal, the 4/28/99 conditions imposed by the Board of Education and this agreement. KSCS will operate a school program for the number of days and minutes required by applicable law and regulations.
5. KSCS was granted charter school status by the State Board of Education on July 14, 1999 as State Charter School number 215.

AGREEMENTS:

1. **Term.** This agreement will be operative for the 2003-04 school year. Renewal for succeeding years is subject to approval of the operating agreement by the respective Boards.
2. **Amendments.** Appropriate representatives of the District and KSCS will meet as necessary to implement this agreement and to make necessary written modifications. Any modification of this agreement must be in writing and executed by duly authorized representatives of both parties to be effective.

3. **KSCS Account at the Sonoma County Office of Education.** Block Grant funding, any additional categorical program funding, and lottery funds shall be held in the KSCS account at the office of the County Treasurer of the County of Sonoma, under the supervision of the Sonoma County Office of Education. KSCS will provide at its own expense, personnel to work with the Sonoma County Office of Education to manage receipts and disbursements for the Charter School, according to the County Office of Education's procedures. All aspects of payroll reporting and disbursements, including contributions to the PERS and STRS retirement systems(if applicable), shall be managed through the Sonoma County Office of Education.

4. **Average Daily Attendance and Enrollment Reporting.**
 - 4a. KSCS will be responsible for its daily attendance accounting. Reporting by the Charter School of average daily attendance shall be made directly to the Sonoma County Office of Education by the Charter School, according to the Office of Education procedures. The KSCS will also be responsible for preparation and transmission to the County Office of Education the Period 1, Period 2, and Annual Attendance Reports. Copies of said reports shall be provided to the District upon submission.

 - 4b. In addition, KSCS shall submit to the District annually a report of enrollments showing each student's demographic information, including home address and *school of attendance in prior fiscal year*. This report shall be compiled and submitted no later than October 31 each year.

5. **Audits - Fiscal and Employment**
 - 5a. **Annual Fiscal Audit.** KSCS shall contract for an annual basic audit to be conducted separately from the District's audit. The Charter School's audit shall be paid for from the Charter School's budget. The audit shall be conducted by a certified public accountant with experience in public school finance. The audit shall be in accordance with Generally Accepted Accounting Principles issued by the American Institute of Certified Public Accountants. The annual audit report shall be forwarded to the District, **the State Controller, the Sonoma County Superintendent of Schools and the State Department of Education by December 15 each year.** Audit exceptions and deficiencies shall be resolved to the satisfaction of the District.

 - 5b. **Annual Employment Audit.** KSCS shall provide the District with the following documents by October 31 each year:

1. List of all employees verifying fingerprint, physicals if appropriate, and TB clearance.
 2. List of certificated employees verifying credentials and expiration dates of credentials.
 3. Master schedule showing teaching assignment.
 4. Declaration of need for Qualified Educators.
 5. Verification that all KSCS employees have been provided with the District policies.
6. **Fiscal Oversight.** KSCS shall establish a fiscal committee to monitor all fiscal operations of the program, including budget development and oversight. The Charter School will forward to the District **and the Sonoma County Superintendent of Schools** the following reports by the designated dates: The First Interim Report (through 10/31) shall be due by December 1; the Second Interim Report (through 1/31) shall be due March 1; the Preliminary Budget for the following school year shall be due April 1; the Adopted Budget shall be due July 1; the Unaudited Actuals shall be due September 1.
7. **Special Education Services and Funding Provisions.** The following provisions govern the application of special education services to KSCS students:

7a. **Services**

- (1) KSCS agrees to implement a Student Study Team process, regular education function, to monitor and guide referrals for special education services.
- (2) District special education staff serving KSCS students will be under the supervision of the District's Director of Special Services or Designee.
- (3) KSCS agrees to adhere to the policies, procedures and requirements of the Local Plan for Special Education.
- (4) Any student attending the Charter School who may potentially be in need of special education services shall be referred to the Office of Special Services of the District for evaluation.

If such evaluation establishes that the student is eligible for special education services, such services may be provided by the District, however, by agreement of the parties, such services may also be provided by the Charter School. Parents and guardians enrolling their child in the KSCS shall be informed by KSCS that if their child requires special education services, such services may be provided at a site other than the Charter

School site, at the discretion of the District Office of Special Services.

- (5) Special education services shall be determined in accordance with the policies, procedures, and requirements of the Sonoma County Local Plan for Special Education.

7b. Funding Provisions. The District shall receive via SELPA, all revenue which is generated by KSCS for the delivery of special education and related services and shall be responsible for the financial costs of services and responsibilities as set forth above. On an annual basis, the District shall determine what, if any, excess cost contribution shall be made by KSCS to the District. A financial update shall be provided by the District to KSCS semiannually. KSCS shall make payment by August 2 for excess cost charges for the prior school year unless otherwise agreed by the parties. Conversely, should this calculation determine that the District has received revenue in excess of *its costs incurred in servicing charter school students*, said revenue shall be forwarded to KSCS. *To receive revenue under this clause, the charter school must submit a detailed report of incurred Special Education expenditures equal to or in excess of the revenue claimed.* The excess cost shall be determined as follows:

- (1) To the extent that special education and related services costs to students enrolled in KSCS exceed the designated SELPA revenue generated by those students, KSCS shall pay the excess amount to the District. Service costs shall not include District administrative staff time, but shall include direct instruction and support cost including, but not limited to consultative services to KSCS staff, instructional assistants, transportation, DIS services, self-contained classroom services, legal judgments, legal services used for complaints and/or due process procedures.

8. **Insurance and Risk Management.** KSCS shall procure, at its own expense, a policy of comprehensive liability insurance and property damage coverage. The insuring limits, at a minimum, shall be not less than Fifteen Million Dollars (\$15,000,000.00) for any one person injured or killed and not less than Fifteen Million Dollars (\$15,000,000.00) for the injury or death of more than one person. KSCS shall also procure a policy for worker's compensation coverage, at its own expense. The District shall be named as an additional insured under all insurances carried by KSCS.

KSCS shall establish and supervise a risk management program. Report of the risk management program operation

shall be submitted to the District by October 31 each year. The components of the report should include the Designated Safety Person and state that the following are in place:

- Injury Illness Prevention Plan
- Bloodborne Pathogen Training
- Hazard Communication Program
- Emergency Plan
- Documentation of Employee Safety Training
- Annual Safety Inspections

9. **Contracted Services.** At the discretion of the District, KSCS may procure operating services from the District at prices to be determined by the District. Such services may include Purchasing, Data Processing, Accounting, Food, Duplicating or other similar services the District provides to its own schools.
10. **Compensation to the District.** KSCS agrees to remit to the District 1% of its annual, **applicable** revenue for monitoring and supervision responsibilities. This fee shall be billed and paid quarterly. District invoices shall not be required to contain itemized documentation of staff time spent on charter school issues.
11. **Evaluation of Educational Program.** KSCS shall furnish to the District an annual written report and evaluation of its educational program in accordance with the Charter petition and the Education Code. The annual report shall include an evaluation of the fulfillment of the Charter purposes and goals. The annual report shall be due to the District in July of each year for the previous academic year.
12. **Student Testing.** In addition to State-required assessments administered by Santa Rosa City Schools, the Charter School will participate in placement tests for students transferring to District schools.
13. **Complaint Procedure.** KSCS will be responsible for establishing and maintaining a Uniform Complaint Procedure. Except in the instance of complaints that allege student safety issues, or other matters which constitute grounds for charter revocation, the Santa Rosa City Schools will refer all complaints it receives back to KSCS for investigation and processing. KSCS will forward to Santa Rosa City Schools a copy of each complaint which has been processed to the point of submission to the Kid Street Board of Directors.
14. **Conformance to Charter.** The Board of Directors of KSCS shall be responsible for operating the Charter School in conformance with the provisions of its charter and this operating agreement.

15. Legal Relationship

- a. The parties recognize that KSCS and the District are separate legal entities. In respect to its operations under this agreement, KSCS shall, to the fullest extent permitted by law, hold harmless, indemnify, and defend the District, its officers, directors and employees from and against any and all claims, demands, actions, suits, losses, liability expenses and costs, including without limitation attorneys' fees and costs arising out of injury to any person, including death or damage to any property caused by, connected with, or attributable to the willful misconduct, negligent acts, errors or omissions of KSCS or its officers, employees, agents or consultants under this Agreement, excepting only those claims, demands, actions suits, losses, liability expenses and costs caused by the sole negligence of the District, its officers, directors or employees.
- b. Should KSCS retain the legal services of the Sonoma County Office of Education or any private law firm that also is retained by the District, KSCS agrees that in the event legal disputes arise between the parties, KSCS will retain legal representation by a separate firm or organization.

16. Employment Standards

- a. In accordance with Education Code 47605 (f) - The procedures that the school will follow to ensure the health and safety of pupils and staff shall include the requirement that each employee of the school furnish the school with a criminal record summary as described in Education Code section 44237.
- b. In accordance with Education Code 47605 (1) - Teachers in charter schools shall be required to hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold. Those documents shall be maintained on file at the charter school and shall be subject to periodic inspection by the chartering authority (Santa Rosa City Schools).

- 17.** *Disputes between the Kid Street Charter School and the Santa Rosa City School District. In the event that Kid Street Charter School or the Santa Rosa City School District have disputes regarding the terms of this charter, every effort will be made by both parties to resolve the issue in good faith cooperatively and informally. If the issue cannot be resolved, the matter shall be submitted to the Superintendent of the Sonoma County Office of Education, whose decision shall be advisory. The final decision regarding any such disputes rests with Santa Rosa City*

School Board of Education. The Charter School retains all rights for redress under the law.

18. *Statement of Facts Roster.* It shall be the sole responsibility of Kid Street Charter School to file, and update as required, the "Statement of Facts Roster of Public Agencies" as required by Government Code Section 53051. The current State of Facts Roster shall be submitted to the District by October 31 each year. It shall also be the sole responsibility of the Kid Street Charter School to file an amendment to the Statement of Facts within 10 days after a change in any of the required information, e.g., legal name and mailing address of the school, name and residence or business address of each member of the governing board, and name, title and residence or business address of the presiding officer. In addition to submission to the County Clerk and Secretary of State, an amendment to the Statement of Facts will also be submitted to the District within 10 days after the change.

19. **General Reporting Requirements.** In addition to providing the reports specified in this agreement, the Charter School agrees to provide any further reports that may be required by the District to comply with statutory obligations. **In addition, the Charter School agrees to comply with all reports required of charter schools by law and to provide a copy of each such report to the District upon submission.**

Dated: _____, 2003

CITY OF SANTA ROSA
ELEMENTARY SCHOOL DISTRICT:

BY _____

TITLE Associate Supt., Business

BOARD APPROVED:

APPROVED AS TO FORM:

June 2000
SCOE Legal

RESIG: September 8, 2000

Dated: _____, 2003

KID STREET LEARNING CENTER
CHARTER SCHOOL

BOARD OF DIRECTORS:

BY _____

TITLE _____