

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“MOA”) is entered into by and between Innovative Quality Schools (“IQS”), an authorizer approved by the Minnesota Department of Education (“MDE”), and Science Technology Engineering Preparatory Academy (“STEP”), an established charter school incorporated pursuant to Minnesota Statutes Chapter 317A. IQS and STEP are referred to collectively herein as the “Parties” and individually as a “Party.”

WHEREAS, IQS and STEP are parties to a current Charter School Authorizer Agreement effective July 1, 2019, through June 30, 2024 (“2019-2024 Authorizer Agreement”) that defines the responsibilities and obligations of each Party with respect to the authorization of a Minnesota charter school for purposes of compliance with the Minnesota Charter School Law, Minnesota Statutes Chapter 124E; and

WHEREAS, throughout the duration of the 2019-2024 Authorizer Agreement, STEP has been the subject of numerous corrective actions as to its operations including the issuance of letters/notices of concern and deficiencies, improvement plans, and placement on probation and IQS contends that the terms of these correction actions have not yet been met by STEP; and

WHEREAS, the Parties mutually agreed not to renew the authorizer contract between their organizations beyond June 30, 2024, and notified MDE of this decision on October 19, 2023, as required by the Minnesota Charter School Law; and

WHEREAS, STEP, through a new proposed authorizer, submitted a request to MDE for change in its authorizer on January 31, 2024, as required by the Minnesota Charter School Law, which was denied by MDE on April 22, 2024; and

WHEREAS, pursuant to Minnesota Statutes, section 124E.10, subdivision 5, if the commissioner does not approve a change in authorizer, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract but if they do not do so, the school must be dissolved according to applicable law and the terms of the contract; and

WHEREAS, while IQS remains concerned as to the management, operations, and governance of STEP, it recognizes that STEP provides a valuable educational resource to STEP’s students and the community that would be lost if STEP must immediately close and dissolve due to the lack of an authorizer; and

WHEREAS, in the interest of ensuring the continued and uninterrupted educational services for STEP students, IQS is willing to withdraw its letter of intent to not renew its contract with STEP and enter into a new charter school authorizer agreement with STEP but conditioned upon the terms set forth in this MOA.

NOW, THEREFORE, THE PARTIES HEREBY AGREE as follows:

1. IQS will offer STEP a new one (1) year Charter School Authorizer Agreement effective July 1, 2024, through June 30, 2025 (“2024-2025 Authorizer Agreement”), as set forth and pursuant to the terms of the 2024-2025 Authorizer Agreement provided as Attachment 1. Prior to the approval and execution of the 2024-2025 Authorizer Agreement, STEP must review and unanimously approve this MOA and the 2024-2025 Authorizer Agreement at an open meeting of its Board and each board director must acknowledge, by roll call vote, that he/she has read, understands, and agrees to the terms of these documents.

2. As a condition precedent to the 2024-2025 Authorizer Agreement, prior to June 7, 2024, the STEP Board shall contract an external consultant, whose qualifications and selection shall be reviewed and approved by IQS prior to an offer of a contract for services to the consultant by STEP. STEP shall take any action necessary to procure these services including, but not limited to, recognizing the urgency and limited availability of experienced consultants that may require that exceptions be made to its existing procurement policies and procedures. The services to be retained from the consultant shall be to analyze STEP's school systems (including, but not limited to: finance, operations, employment and human resources, and governance) and make recommendations to STEP for corrective actions and improvements. The external consultant selected cannot be a current or former employee or board member of STEP. STEP shall provide the proposed contract between STEP and the proposed external consultant to IQS for review and approval at least three (3) days prior to the STEP Board's approval of the contract. STEP shall be required to implement all corrective actions and improvements articulated by the external consultant as set forth in the 2024-2025 Authorizer Agreement, absent written exemption approved by IQS. STEP shall be solely responsible for the cost of the external consultant.
3. As another condition precedent to the 2024-2025 Authorizer Agreement, prior to June 21, 2024, the STEP Board shall take action to create a new Chief Operating Officer ("COO") position, develop a job description, establish qualifications pursuant to 124E.12 subd. 2, and post the job opening to seek qualified applicants. The services to be retained from the COO shall include, but not be limited to overseeing and managing STEP's school systems related to finance, operations, employment and human resources. The COO shall report directly to the STEP Board of Directors. Review of applications and interview of applicants should take place to allow for the STEP Board to take action to hire a candidate such that commencement of employment for the COO is no later than August 5, 2024. STEP shall submit the proposed job description to IQS for review and approval no later than three (3) business days prior to action by the STEP Board. IQS shall be permitted to be represented on the interview committee as an observer of the interviews of applicants and shall be given access to all job applicants and application materials submitted. The COO selected cannot be a current or former employee or board member of STEP. STEP shall provide a proposed contract between STEP and the proposed COO to IQS for review and prior approval at least three (3) business days prior to the STEP Board's approval of the contract. STEP shall be solely responsible for the cost of the COO.
4. As another condition precedent to the 2024-2025 Authorizer Agreement, STEP shall schedule and hold its 2024 Annual Meeting during June, 2024, at either its regular meeting or at a properly scheduled special meeting at which time STEP shall take action by resolution to increase the number of Directors constituting the Board to at least nine (9) and specifying that the Board shall maintain its current 'no clear majority' structure by adding seats such that the Board composition shall be at least three (3) parents, three (3) teachers, and three (3) community members, with terms expiring consistent with STEP's Bylaws. As part of this action, STEP shall develop a plan, that shall be submitted to IQS for review and approval, to increase efforts of recruitment of director candidates representing diverse experiences and expertise. The 2023-2024 annual meeting will be held in June 2024. The notice to all community members of the annual meeting shall include mutually agreed upon language explaining STEP Board action to add the additional Director seats, seat terms and qualifications and other steps being taken before and during the 2024-2025 school year to add management oversight to enhance STEP as related to the corrective actions set out in this MOA and the 2024-2025 Authorizer Agreement. STEP shall also set the annual meeting for the 2024-2025 school year for a date in September when school is in session, which may be its regular meeting or a special meeting. STEP shall hold elections for all newly created open Director seats as well as for all Director seats whose term will expire as of June 30, 2025. The candidates who receive the most votes in the election for their respective roles (parent, teacher, community member) will be seated into the newly created open seats at the 2024-2025 Annual Meeting held in September, 2024. Documentation articulating the process,

timeline, and nomination forms shall be developed and submitted to IQS for review and approval at least ten (10) business days prior to approval by the STEP Board. Approved documentation shall be provided to all eligible voters no later than July 15, 2024.

5. If STEP fails to comply with paragraphs 2 through 4 of this MOA within the timeline set forth therein: a) the 2024-2025 Authorizer Agreement automatically shall become null and void and shall not take effect as of July 1, 2024; b) the agreement and notice to MDE that IQS withdrawals its intent to mutually non-renew the authorizer contract shall automatically be rescinded; and c) IQS will notify STEP and MDE of the nullification of the 2024-2025 Agreement and rescission of the withdrawal of the mutual non-renewal of the authorizer contract. Immediately, but in no event any later than ten (10) calendar days of the date this rescission notice from IQS, STEP must take immediate action to dissolve according to applicable law and the terms of the 2019-2024 Authorizer Agreement.
6. If STEP fails to comply with the terms of this MOA or any other terms of the 2024-2025 Authorizer Agreement once it takes effect, with such compliance to be determined in the sole discretion of IQS, IQS shall provide written notice via U.S. Mail and email to the STEP Board Chair of such noncompliance. STEP shall have ten (10) calendar days from the date of the written notice from IQS to correct the issues set out in the notice of non-compliance and provide evidence of said compliance. If sufficient evidence of compliance is not provided within the required timeframe, as determined in the sole discretion of IQS, the Parties agree that such inaction shall constitute good cause and grounds for immediate termination of the 2024-2025 Authorizer Agreement, as set forth in Section 6.1 of the Authorizer Agreement and that STEP knowingly and voluntarily agrees to waive any rights to due process prior to termination as set forth in Section 6.2 of the 2024-2025 Authorizer Agreement, the Minnesota Charter School Law or other law or regulation to challenge termination of the authorizer agreement and that STEP shall be required to immediately commence dissolution proceedings in accordance with Section 6 of the 2024-2025 Authorizer Agreement, Minnesota Statutes Chapter 317A and the Charter School Closure Plan. If the termination provisions of this paragraph are triggered, STEP shall provide written notice to students, parents, staff and vendors of its pending dissolution and the closure of the school within 60 days. STEP shall provide IQS with a copy of the proposed notice for review and approval prior to its distribution to students, parents, staff and vendors.
7. This MOA shall remain in effect until June 30, 2025.
8. Should STEP comply with the terms of this MOA and remain in compliance with the 2024-2025 Authorizer Agreement, including the Corrective Action Plan set forth therein, as determined in the sole discretion of IQS, IQS will consider taking action to extend the 2024-2025 Authorizer Agreement or enter into a new agreement.
9. Before signing this MOA and Attachment 1, STEP acknowledges that it was given a choice to: (1) sign this MOA and the 2024-2025 Authorizer Agreement set forth in Attachment 1, waiving its rights to challenge a unilateral decision by IQS to terminate the 2024-2025 Authorizer Agreement during its terms for non-compliance with this MOA; or (2) decline to sign this MOA and the 2024-2025 Authorizer Agreement and dissolve according to applicable law and the terms of the 2019-2024 Authorizer Agreement. STEP acknowledges and admits it was not coerced in any manner to choose one option over the other.
10. STEP understands and agrees that by entering into this MOA, it is hereby waiving certain rights to due process with respect to termination of the 2024-2025 Authorizer Agreement, closure of the school, and dissolution of STEP, during the term of the 2024-2025 Authorizer Agreement, as set forth in Section 6 of the Agreement, as well as those rights set forth in Minnesota Statutes, section 124E.10, subdivision 4. STEP further agrees to waive and forever forego any claim or

challenge it might have had that it was provided inappropriate or inadequate supervision or evaluation or due process prior to the execution of this MOA.

11. Nothing set forth in this MOA shall not be construed as obligating IQS to renew its contract with STEP following the 2024-2025 school year or any subsequent authorizer agreements. STEP fully understands and agrees that IQS may decide to non-renew and/or terminate the authorizer agreement at the conclusion of the 2024-2025 school year notwithstanding the existence of this MOA if the conditions of paragraph 6 are not met. Moreover, this MOA shall not be construed to prohibit IQS from taking action to non-renew or terminate any subsequent authorizer agreement with STEP pursuant to the nonrenewal or termination provisions of the applicable agreement and Charter School Law.
12. STEP acknowledges that IQS has provided STEP with the opportunity to consult with legal representation and/or legal counsel before signing this MOA and the 2024-2025 Authorizer Agreement and has been fully informed of and understands its rights under Minnesota Statutes Chapter 124E.
13. Within five (5) business days of the execution of this MOA and the 2024-2025 Authorizer Agreement by both Parties, STEP and IQS shall sign a letter to MDE notifying the commissioner that they are withdrawing their intent to mutually nonrenew their authorizer contract and have entered into a new contract, conditioned on the terms set forth in this MOA, which letter shall be substantially in the form set forth in Attachment 2. The Parties agree to follow any subsequent direction given to them by MDE following the delivery of said letter.
14. Nothing in this MOA shall be deemed to establish a precedent or practice as to the Parties' contractual relationship as authorizer and charter school. No party may introduce this MOA in any proceeding, formal or informal, as evidence of a practice or precedent, other than as may pertain solely to the application and enforcement of this MOA.
15. This MOA shall for all purposes be deemed to have been mutually drafted.
16. This MOA, including its attachments, constitutes the entire agreement and understanding between the Parties as to its relationship as authorizer and charter school and the terms that are to govern the operations of STEP. No party has relied upon any oral statements, promises, or representations that are not set forth in this MOA. No changes to this MOA will be valid unless they are in writing and signed by the Parties
17. The provisions of this MOA shall be severable, and if any provision hereof or the application of any such provision under any circumstance is held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions in this MOA will not in any way be affected or impaired thereby.

[The remainder of this page is intentionally blank.]

By signing below, each Party specifically acknowledges that it has read this MOA and that it understands and agrees it is legally bound by all terms of the MOA.

Innovative Quality Schools

Dated: _____, 2024

By: _____
Its Board Chair

Dated: _____, 2024

By: _____
Its: _____

Science Technology Engineering Preparatory Academy

Dated: _____, 2024

By: _____
Its Board Chair

Dated: _____, 2024

By: _____
Its Secretary

Charter School Authorizer Agreement

This Charter School Authorizer Agreement (the “Agreement”) is entered into between Innovative Quality Schools (“IQS”) and Science Technology Engineering Preparatory (“STEP”) Academy (hereinafter the “School”) to be effective from July 1, 2024 through June 30, 2025.

This Agreement is entered into for the purposes of defining the responsibilities and obligations of each party with respect to the authorization of a Minnesota Charter School to be operated by the School. It is the intention of the parties that this Agreement will comply with all requirements of the Minnesota Charter School Law (Minnesota Statutes Section 124E.10. *et. seq.*) as the law may be amended from time to time. Both parties acknowledge their responsibility to abide by all applicable provisions of Applicable Law and the Charter Law (as defined below) regardless of whether they are delineated in this Agreement.

Section 1. DEFINITIONS.

1.1 Definitions. For purposes of this Agreement, and in addition to the terms in this Agreement, each of the following words or expressions has the meaning as defined in this section:

- a) “Addendum” means a document that is referenced as an addendum to this Agreement. All Addenda to this Agreement are hereby incorporated herein and made a part of this Agreement.
- b) “Agreement” means this Charter School Authorizer Agreement as required by the Charter Law.
- c) “Applicable Law” means all state and federal law applicable to Minnesota charter schools governing the organizational, programmatic and financial requirements, and any regulations implemented pursuant to those laws.
- d) “Charter Law” means the Minnesota Statutes Chapter 124E. *et seq.*, as amended, and any rules adopted by the Commissioner relating to this law.
- e) “Charter School Board” means the Board of Directors that governs the School, as provided under Minnesota Statutes §124E.07 and the Bylaws of the School.
- f) “Commissioner” means the Commissioner of the Minnesota Department of Education.
- g) “Department” means the Minnesota Department of Education.
- h) “School” means STEP Academy, which is established as a charter school pursuant to this Agreement and which is incorporated pursuant to Minnesota Statutes §317A. The official address of the School is: 835 5th St E, St Paul, MN 55106 with an authorized second school location at 14450 Burnhaven Dr, Burnsville, MN 55306.
- i) “School information” includes all educational data, as defined in Minnesota Statutes §13.32; any and all data related to employees of the School; any and all complaints filed by the School as required by law, and all complaints filed against the School; any and all investigative files and the results of any investigations; and any and all financial information as required to be disclosed in this Agreement.
- j) “School ScoreCard” means the School ScoreCard described in Section 2.2(c) of this Agreement that is used to evaluate the performance of the School.
- k) “IQS” means “Innovative Quality Schools,” PO Box 580, Hutchinson, Minnesota 55350.

Section 2. PURPOSE OF THE SCHOOL; DESCRIPTION OF THE PROGRAM; PERFORMANCE INDICATORS AND EVALUATION.

2.1 Purpose of the School/Description of the Program. The School will be organized and operated to improve all pupil learning and all student achievement, and to achieve the following additional purposes:

- a) increase learning opportunities for all pupils;
- b) encourage the use of different and innovative teaching methods;
- c) measure learning outcomes and create different and innovative forms of measuring outcomes;
- d) establish new forms of accountability for schools;
- e) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the School site;

The School will report on the achievement of its purposes in its annual report, as provided in Section 2.2 (d) of this Agreement.

The School is a Grade K-12 school that operates two sites and will provide students:

- a) a safe place to learn and grow while being provided an individualized learning opportunity that addresses their academics and also their emotional and social needs;
- b) caring adults who have an in-depth knowledge and understanding of the subject matter and innovative instructional models that best meets the needs of their students;
- c) small class environments that assures each student will receive individualized attention and assistance;
- d) an innovative model of learning that is consistent with its vision and mission;
- e) a learning environment which supports exploration of science, technology, engineering, and mathematics careers;
- f) the support to be fully prepared and have the essential knowledge and skills to enter college and successfully participate in PSEO programming;
- g) during the 2024- 2025 school year, the school may offer a provisional program and school calendar that allows up to one day per week of online instruction and follows all requirements, reporting, contracted terms, and applicable statutes. The program shall include dynamic interactions between students and educators and integrate the National Standards for Quality Online Learning.

2.2 Performance Indicators and Evaluation. The School must provide instruction for the minimum number of hours required by Applicable Law, with the School having the option of providing additional programs after the regular day, in the summer or through other means.

- a) Student/School Performance Standards. The School will comply with the requirements of the Minnesota Learning/Graduation Standards, as defined by Minnesota Statutes §§120B.02; 120B.024; and Minnesota Rules parts 3501.0010 – 3510.0280 and will document the levels of student performance in terms of students meeting those graduation standards.
- b) Every School Succeeds Act (ESSA). The School will comply with the responsibilities and obligations of the Title I, Part A accountability provisions as specified under the federal

ESSA and its implementing regulations established by the U.S. Department of Education including, but not limited to, i) participating in statewide assessments, ii) meeting the state adequate yearly progress definition, iii) meeting public and parent reporting requirements, iv) implementing school sanctions if the School is identified for improvement, and/or failing to meet disparities in teacher and paraprofessional requirements. This section shall automatically be modified to reflect changes in ESSA, or when the Department is granted waivers from ESSA by the United States Department of Education.

- c) Specific Academic and Non-academic Performance Indicators. The School will identify and attain the goals and measurable performance indicators for: (1) program model and mission of the School; (2) governance of the School; (3) specific student academic and nonacademic outcomes that pupils must achieve as well as outcomes which are indicative of school performance; (4) financial management; and (5) operation of the School. These goals will be outlined in the School ScoreCard to be mutually agreed upon by School and IQS, a copy of which is attached as Addendum 1, as the same may be modified from time to time by IQS. These performance indicators are intended to specifically assure that the student learning requirements as defined in Charter Law and other Applicable Law, and will be included with the academic standards to which the School will be held accountable. The academic performance indicators will include multiple achievement indicators including the state tests required of all students, a nationally normed referenced test, and/or other professionally recognized measurement systems and other methods as provided for in this Agreement.
- d) Annual Report. The School must publish an annual report approved by its board of directors that is consistent with the provisions of the Charter Law at §124E.16 subd.2. The School must post the annual report on the School's official website. The School also must distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the School.
- e) School Improvement Plan (SIP). Based on the results specified in the IQS Annual Report or other identified areas for growth, the School will develop an annual School Improvement Plan (SIP) that identifies the action to be taken by the School to continuously improve the performance of the School.
- f) Annual Report Dissemination. As required under the Charter Law, the School will disseminate the Annual Report to the parents and legal guardians of students enrolled at the School, IQS and School employees. The Annual Report must be placed on the website of the School.

Section 3. LEGAL STRUCTURE AND AUTHORITY OF THE SCHOOL.

3.1 Legal Structure. The School must adhere to all legal requirements as defined in Minnesota Statute 124E as identified below.

- a) Nonprofit Status. The School is organized and operated as a nonprofit corporation under Minnesota Statutes Chapter 317A, as amended.
- b) Articles of Incorporation. The School's Articles of Incorporation are on file with the State of Minnesota and with IQS.
- c) Bylaws. The School has in place a set of Bylaws, a copy of which is filed with IQS. The School will notify IQS of any proposed amendments to the Bylaws prior to adopting any changes. At its discretion, IQS may provide review and comment on the proposed amendments at or before the regularly-scheduled Board meeting at which the proposed

amendments are to be discussed and voted upon. The School shall not adopt Bylaw amendments affecting the governance structure of the School or Board without prior approval of IQS. If IQS does not issue its comments on Bylaw amendments affecting the governance structure of the School or Board within 30 days following notice to IQS by the School, the School may proceed with its proposed amendment unless IQS requests an additional 15 days for the review, which additional time shall be granted by the School.

- d) Lease Space. The School may lease space from any public or nonsectarian private organization as it deems reasonable. If the School intends to lease from a private sectarian organization, it will comply with the provisions of the Charter Law at Section 124E, including providing the assurances set forth in Addendum 2, attached hereto. Prior to finalizing a lease for space, the School will submit the lease to the Department for review and comment. The School will also provide the lease to IQS for review and comment.
- e) Authorized Grades. The School is authorized for grades K-12.
- f) Enrollment/Grade Level Expansion. The School will not expand its grade levels beyond that specified in Section 2.1 without application to and approval by IQS and the Commissioner in a manner consistent with the Charter Law.

Section 4. OPERATING REQUIREMENTS.

4.1 Governance. The governance, management and administration plan for the School shall be as described in this section.

- a) Board of Directors. The School will be governed by a board of directors in accordance with its Bylaws and with all Applicable Laws. The School will file changes in the membership of the Charter School Board with IQS. Prior to the time such persons are seated as members of the Charter School Board, the School will conduct a criminal background check identical to those required by Minnesota Statutes §123B.03 subd. 1. The Charter School Board will certify to IQS that background checks have been completed and, consistent with data practices law, will provide to IQS any adverse information that is revealed as part of the background checks and will evaluate, on a case-by-case basis, membership on the Charter School Board where the background check revealed adverse information. Each director will submit to IQS a signed agreement in the form of Addendum 2, as the same may be revised from time to time by IQS stating they will comply with all Applicable Laws.
- b) Conflict of Interest. The provisions of Section 124E.14 of the Charter Law relating to conflicts of interest shall be followed by each director.
- c) Powers. The Charter School Board will provide policy leadership including, but not limited to long range planning and goal-setting for the School consistent with the School's approved mission; holding the School accountable for meeting the goals; approving an annual budget and providing oversight of the budget; employing appropriate staff or contracting with organizations that do employ appropriate staff; setting expectations and reviewing the performance of the School director at least annually; and other policies regarding the operation of the School. The Charter School Board will adopt all required policies as provided by law. In addition, the Charter School Board will adopt policies as required assuring the School will operate in a non-sectarian manner.
- d) Board Election. Charter School Board elections and director qualifications will be as provided in the Charter Law and in the School's Bylaws. All Charter School Board elections will use an anonymous election process for selection of members of the board of directors.

-
- e) Open Meeting Law. Charter School Board will comply with the Minnesota Open Meeting Law, Minnesota Statutes §13D.
 - f) Frequency of Meetings. The Charter School Board will meet as provided in the Bylaws. All meeting agendas must be posted on the School's website in a manner consistent with meeting notice requirements of Minnesota Open Meeting Law, Minnesota Statutes §13D or at least three calendar days prior to any regularly scheduled meeting. Minutes from meetings must be posted on the School's website within ten (10) days of their approval by the Charter School Board, or as required by Minnesota Statute, whichever is earlier.
 - g) IQS Report to the Board. Following the review of the Annual Report as provided for in Section 2.2 (d), IQS will provide the Charter School Board with its written analysis of how well the School is meeting the provisions of this Agreement.
 - h) Authorization of Employment. The Charter School Board will either directly employ, contract with individuals, contract with an organization or a combination of these options, necessary teachers, as defined by Minnesota Statutes §122A.15, subdivision 1, who hold valid licenses to perform the particular instruction or services at the School.
 - i) Non-licensed Personnel. The Charter School Board or its delegate may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services.
 - j) Collective Bargaining. If the School engages in collective bargaining, the School will comply with Minnesota Statutes chapter 179A, the Public Employment Relations Act.
 - k) Board Training. The Charter School Board will participate in training regarding board governance, the board's role and responsibilities, financial management and employment policies and any other requirements in accordance with Section 124E.07 subd. 7 of the Charter Law. In addition, the Charter School Board will submit its plan for training to IQS, if requested by IQS, and attend training reasonably required by IQS.
 - l) Management Company. The School will notify IQS of any proposed agreement with a management company at least 30 business days prior to adopting such agreement. At its discretion, IQS may provide review and comment on the proposed agreement at or before the regularly-scheduled Board meeting at which the proposed agreement is to be discussed and voted upon. The School will comply with Minnesota Statutes §124E.16.

4.2 Management and Administration Plan. The Charter School Board shall establish qualifications for all persons who hold administrative, supervisory, or instructional leadership roles in accordance with Minnesota Statutes, §124E.12, subdivision 2. The Charter School Board shall use those qualifications as the basis for job descriptions, hiring and performance evaluations of those persons who hold administrative, supervisory or instructional leadership roles at the School, including the hiring and evaluation of any third party organization hired to provide such functions to the School. The Charter School Board will annually prepare performance expectations to be accomplished by the school leader(s). The Charter School Board will review the leaders' performance at least annually. The teachers may provide written feedback to the Charter School Board regarding the leaders' performance. The teachers will report to the designated school leader(s). Each teacher and the School leaders will annually prepare performance expectations to be accomplished by the teacher. The School leader(s) will review the performance of the teachers. Professional teacher teams may also be established to provide professional observations and feedback to each other. The teachers may participate in site committees including School model oversight which includes curriculum; budget; and professional development. Each committee will operate under the guidance and direction of the School leader.

The School's performance criteria, as identified in the School ScoreCard, must be met with respect to the governance, management and administration of the School.

4.3 Financial Management. The Charter School Board may engage a third party to provide financial management of the School. If they choose to engage a third party, the Charter School Board will request and review the bids for such services and make decisions to assure no conflicts of interest exist and that the agreement is in the best interests of the School.

- a) Financial Reports. The School will provide IQS a copy of the annual budget for review and comment at least ten (10) business days prior to its approval by the Charter School Board. The School shall also provide IQS periodic reports of the financial status of the School as requested. All financial data must be placed on the School website within ten (10) days of the Charter School Board's approval.
- b) UFARS. The School will utilize the UFARS financial accounting principles and methods. Student accounting will comply with MARSS requirements. All accounting records will be audited annually by a public accounting firm engaged by the Charter School Board.
- c) Audits. The School will comply with the same financial audits, audit procedures, and audit requirements of district schools (Minnesota Statutes §§123B.75 to 123B.83) except when deviations are necessary because of the program of the School. The School will provide IQS with a final audit and any management letters provided by the auditor. As provided by the Charter Law at Section 124.E.16, if the audit includes findings that a material weakness exists in the financial reporting systems of the School, the School must submit a written report to the Commissioner explaining how the material weakness will be resolved in accordance with the procedures set by the Commissioner. The report to the Commissioner will also be provided to IQS.
- d) Creditors. If the School has any payments to creditors for which there is an outstanding liability of over 60 days, the School will provide IQS a written statement explaining the reasons for this and a proposal for payment of the outstanding liability.

4.4 Non-sectarian. The School will be nonsectarian in its programs, admission policies, employment practices and all other purposes and will operate consistent with state and federal law.

4.5 Tuition. The School will not charge Minnesota resident's tuition for admission to the School. The School may impose fees and require payment of expenses for activities of the School where such fees and payments are not prohibited by Applicable Law. The School will comply with the Minnesota Public Schools Fee Law, Minnesota Statutes §§123B.34-.39, which governs authorized and prohibited student fees.

4.6 Home School. The School will not be used as a method of providing education or generating revenue for students who are being home schooled pursuant to Minnesota Statutes §120A.22.

4.7 Admissions. When considering admission of new students, the School will adhere to all provisions listed below.

-
- a) Limits. The School will not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability, nor may it condition admission on criteria or take any action that would violate the Minnesota Human Rights Act, Minnesota Statutes § 363A.
 - b) Applications. The School will enroll an eligible pupil who submits a timely application, unless the number of applicants exceeds the capacity of the program, class, or grade level. In such cases, selection shall be by lot. A student continuing for the next year remains enrolled for the next year without re-application. The School will give preference for enrollment to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the School's staff before accepting other pupils by lot. The School shall develop and follow an admissions policy that is consistent with this Section 4.7 and Applicable Law. The School will provide IQS with a copy of such policy.

4.8 Reports and Communications. In meeting IQS's reporting requirements, the School will adhere to all provisions listed below.

- a) Reports. The School will file reports with IQS regarding the program and financial status of the School. IQS will provide a format and a timeline for these reports.
- b) Access to Information. Consistent with the provisions of Minnesota Statutes Section 13.05 subd. 6(c), the School will provide IQS, with and permit prompt and reasonable access to, any School information requested by IQS.
- c) Communication with staff and vendors. The School consents to permitting IQS to contact and/or respond and discuss with any internal staff or external service provider or other vendor any matters that pertain to the School's obligations under this Contract. The School will cooperate in encouraging and/or directing its staff or vendors to timely discuss these matters with IQS and provide any documentation or other information requested by IQS.
- d) Other Reports. The School and IQS will file all reports with the Commissioner consistent with the procedures established by the Commissioner.
- e) WBWF- In accordance with Minnesota Statutes, section 124E.16, subdivision 2, the school must comply with reporting under 120B.11 governing World's Best Workforce.
- f) Violations of Law. The School will promptly notify IQS of all complaints that allege that a violation of Applicable Law has been committed by the School unless such reporting would be in non-compliance with a state or federal law. The School will provide IQS with copies of all documents regarding the investigations, findings, conclusions, required actions or any other information regarding such complaints.
- g) School Board Materials. The School will provide IQS copies of all School Board of Directors agendas and materials, including finance information, prior to each meeting. IQS will provide contact information for the representatives with whom such information will be shared.

4.9 Transportation. Transportation for students enrolled at the School will be provided consistent with the Charter Law as it relates to student transportation.

4.10 Health and Safety. In meeting the state's health and safety requirements, the School will adhere to all provisions listed below.

-
- a) Same as school district requirements. The School will comply with the same health and safety requirements as a school district.
 - b) Immunization. The School will comply with Minnesota Statutes §121A.15, requiring proof of student immunization against measles, rubella, diphtheria, tetanus, pertussis, polio, mumps, and haemophilus influenzae type b and hepatitis B.

4.11 Human Rights. The School will comply with the Minnesota Human Rights Act, Chapter 363A, which prohibits unfair discriminatory practices in employment, public accommodations, public services, or education; and comply with Minnesota Statutes §121A.04, which governs provision of equal opportunities for members of both genders to participate in athletic programs.

4.12 Student Dismissal. The School will comply with the Minnesota Pupil Fair Dismissal Act (MPFDA), Minnesota Statutes §§121A.40-.56. The School Board shall maintain a discipline policy and procedure consistent with MPFDA prior to enrolling students.

4.13 Students with Disabilities. In addressing the State's requirements for meeting the needs of students with disabilities, the School will adhere to all provisions listed below.

- a) Compliance. The School shall comply with Minnesota Statute Section 125A.02, 125A.03 to 125A.24 and 125A.65, concerning the provision of education services to students with a disability at the School.
- b) Special Education Director. The School shall employ or contract with a special education director who shall be responsible for program development, coordination and evaluation; planning for professional development and general programmatic and fiscal supervision and administration.
- c) Systems and Services. The School shall implement at least the minimum requirements of Applicable Law regarding service to students with disabilities, including:
 - i. A child-find system to identify students with disabilities and students who are suspected of having disabilities; such a system will include a procedure for receiving referrals from parents, teachers, outside agencies and physicians.
 - ii. A system for conducting comprehensive initial and re-evaluations to determine eligibility for special education and related services.
 - iii. A full range of special education services to ensure that all students with disabilities are provided with the specially-designed instruction and related services based on their disability-related needs.
 - iv. A system for monitoring appropriate and proper due process procedures to ensure effective and efficient child study procedures and methods of providing special education services for identified students.
- d) Financial Parameters. The School is entitled to access state special education funds for salaries, supplies/equipment, contracted services, and student transportation costs. The School is permitted to bill certain special education costs not paid by state special education funds to the student's resident district. The combination of state special education funds and the ability to bill the district certain special education costs enable the School to adequately provide special education services to such children. The School may also access federal special education funds.

4.14 Students whose First Language is Other than English. The School will comply with the provisions of Applicable Law regarding teaching children who are English language learners.

4.15 Insurance. Notwithstanding anything to the contrary in this Agreement, the School will be considered a school district for the purposes of tort liability under Minnesota Statutes chapter 466. The School will acquire and keep in full force the types and amounts of insurance coverage required by Applicable Law, including but not limited to:

- a) Workers' Compensation Insurance, covering claims from employees for compensation or benefit in respect of injury, sickness, disease or death, in the minimum limit required by Applicable Law.
- b) Employer's liability insurance for employee bodily injury or death arising out of the employer-employee relationship, with a limit of not less than One Million Dollars (\$1,000,000).
- c) Education and general liability insurance, including contractual liability and completed operations coverage, with limits in each case of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence, and not less than Two Million Dollars (\$2,000,000) general aggregate, for personal injury (including death) and property damage.
- d) Automobile Liability Insurance, with minimum limits of not less than One Million Dollars (\$1,000,000) combined single limit or One Million Dollars (\$1,000,000) bodily injury and One Million Dollars (\$1,000,000) property damage, all per accident and irrespective of whether vehicles are owned, hired or non-owned.'
- e) Umbrella/Excess liability, with minimum limits of not less than Two Million Dollars (\$2,000,000) per occurrence and annual aggregate limit.

IQS will be named as an additional insured on such policies. The School agrees to provide IQS with certificates of insurance. The Charter School Board must provide written notice of changes in its insurance carrier or coverage to IQS at least 20 business days prior to the effective date of the change.

Section 5. IQS DUTIES.

5.1 Oversight Plan. IQS will implement a plan to provide ongoing oversight to determine whether the School is complying with the terms of this Agreement and to meet its responsibilities under the Charter Law. IQS will use the following five criteria in determining the School's compliance with this Agreement.

- a) Mission and Program Model Implementation. IQS will evaluate whether the School has complied with the terms of this Agreement, including the implementation of the School's design and the learning standards as reflected in the School ScoreCard.
- b) Governance. IQS will evaluate whether the Charter School Board is performing its governance responsibilities.
- c) Student and School Performance. IQS will evaluate whether the performance of the students and the School meet the expectations as provided in Section 2.1 and 2.2.
 - i. The number one factor, for oversight and renewal of this Agreement, is whether the School meets the primary purpose of improving all pupil learning and all student achievement, as identified in Section 2.1 of this Agreement.

-
- ii. For purposes of oversight and renewal of this Agreement, IQS will also evaluate how the School is achieving the additional purposes as identified in Section 2.1 (a) through (e) of this Agreement.
 - d) Finance. IQS will evaluate whether the School is using its resources in compliance with the Applicable Law and is planning for the future.
 - e) Operation of the School. IQS will evaluate whether the School is meeting the administrative requirements of the Applicable Law relating to charter schools.

5.2 Additional Duties of IQS. In addition to the oversight duties referred to in Section 5.1, above, the duties of IQS shall include the following:

- a) IQS will provide information and advice to School on best practices, especially as such practices relate to the areas of school administration, board operation, fiscal management, and data analysis.
- b) IQS will assist in developing and facilitating collaborative relationships between charter schools authorized by IQS as a means of sharing best educational and operating practices and creative thinking about interests shared in common by some or all of these schools.

5.3 Performance Evaluation Prior to Agreement Renewal. A performance evaluation is a prerequisite under the Charter Law for renewing this Agreement. The IQS performance evaluation will be consistent with Minnesota Statute 124E.10 subd. 1(13). Additional IQS review criteria and procedures will be established consistent with the Charter Law and IQS policies and procedures.

- a) Prior to renewing this Agreement, IQS will conduct a performance evaluation specifically addressing each of the performance indicators contained within this Agreement. The average performance over the term of the contract will be considered for each indicator and used to inform the overall category performance in Section 5.3(b). Not later than November 1 of the year in which the Agreement renewal evaluation is to be conducted, IQS will provide the School with the specific details of the renewal process, which procedures will be generally consistent with Addendum 1. This evaluation process will include visits to the School by a cadre of IQS professionals. It may also include interviews with the Charter School Board, the director of the School, teachers, parents, students and others involved with the School as deemed necessary and appropriate. It will include a review of the School governance, the financial status of the School, a review of the student progress and a review of the operations of the School. The School ScoreCard will be the standard used to determine whether the Agreement will be renewed and if so, the term of the renewal.
- b) Subject to the other provisions of this Agreement with respect to termination and/or renewal of this Agreement, the following guidelines will be used by IQS in evaluating the renewal of this Agreement. Unless there are extenuating circumstances:
 - i. If a School receives an average score below 2.0 in performance category Section 3 of the ScoreCard over the term of the Agreement, the School will be placed on probation and recommended for a one-year renewal of the Agreement and a corresponding Action Plan must be implemented. If the Plan does not cause the school to improve, it may be recommended for closure.
 - ii. If a School receives an average score of 2.0 to less than 3.0 in performance category Section 3 of the ScoreCard over the term of the Agreement, the length of

-
- the renewal of the Agreement will not exceed three (3) years.
- iii. If a School receives an average score below 2.0 in any of the other performance categories of the ScoreCard over the term of the Agreement, the length of the renewal of the Agreement will not exceed three (3) years.
 - iv. Except as provided in clause (ii), if a School receives an average score of 2.0 to less than 3.0 in all remaining performance categories on the ScoreCard over the term of the Agreement, the length of the renewal of the Agreement will be three (3) to five (5) years.
 - v. Notwithstanding anything to the contrary in clauses (i)-(iv), if a School receives an average score at or above 3.0 in all five (5) of the performance categories of the ScoreCard during the last year of the Agreement, the school will be offered a contract term up to five (5) years.

5.4 IQS Capacity. IQS assures the School that it has the capacity to carry out its duties as the authorizer of the School. In order to address the provisions of this Section 5, IQS will engage a cadre of competent professionals. IQS assures the School that it will carry out its duties in a professional and ethical manner, in compliance with Applicable Law.

5.5 Fees. The School shall pay IQS the fees for authorizing a charter school equal to the maximum fee established from time to time under the Charter Law, which fee shall initially be determined as follows:

The amount equal to the greater of:

- a) The basic formula allowance for that year; or
- b) The lesser of:
 - i. The maximum fee factor times the basic formula allowance for that year; or
 - ii. The fee factor times the basic formula allowance for that year times the charter school's adjusted pupil units for that year. The fee factor equals .015. The maximum fee factor equals 4.0.

The authorizing fee will be paid to IQS within 30 days of receipt of an invoice from IQS. The payment of fees will be due quarterly with an adjustment made after the final student count is determined by the Department.

5.6 Liaison. In addition to the assigned Cadre, IQS will designate a liaison for the School who will meet at least twice annually with School leadership to review the progress of the School. IQS will inform the School annually of the name of this person.

5.7 Communication of Areas of Concern. In the event that the review of the School performance raises concerns, the following practices will be followed:

- a) It is the intent of the parties to address areas of concern in a non-adversarial process whenever possible. To that end, the parties agree to communicate areas of concern and to address those concerns in a professional manner.

-
- b) IQS will provide the Charter School Board feedback at least annually regarding the performance of the School. The School will address the concerns of IQS in its School Improvement Plan provided for in Section 2.2.
 - c) If IQS has areas of concern regarding the performance of the School, it will follow its protocol: "Range of Possible Interventions" as set forth in Addendum 5, attached hereto, as the same may be reused from time to time.

Section 6. NON-RENEWAL OR TERMINATION FOR GOOD CAUSE.

6.1 Grounds. IQS may determine not to renew this Agreement at the end of the term for good cause. In addition, IQS may unilaterally terminate the Agreement during the term of the Agreement for good cause. The grounds for non-renewal or termination for good cause include:

- a) Failure to meet the requirements for pupil performance contained in Section 2 of this Agreement;
- b) Failure to meet generally accepted standards of fiscal management;
- c) Substantial deviation from the School's mission and program model without prior approval from IQS;
- d) Insufficient enrollment to provide the revenue necessary to meet the School's budget;
- e) Failure of the Charter School Board to perform its governance responsibilities, including but not limited to the requirements set out in this Agreement;
- f) Failure to operate the School effectively, including but not limited to issues of personnel, filing of compliance reports and facilities issues;
- g) For violations of Applicable Law;
- h) For breach of this Agreement; or
- i) For other good cause shown.

6.2 Procedure for Non-renewal or Termination. The School may wish to contest the decision by IQS to terminate the Agreement. If it chooses to do so, the following steps must be taken by both parties:

- a) Notice to School. At least 60 business days before the final decision regarding renewal of this Agreement, or termination of this Agreement for cause, IQS will notify the School in writing of the proposed action. The notice will state in reasonable detail the grounds for the proposed action. The notice will state that the Charter School Board may request, in writing, an informal hearing before the IQS within 15 business days of receiving notice of non-renewal or termination of this Agreement.
- b) Request for a Hearing. Within 15 business days of receipt of the notice of termination or non-renewal, the Charter School Board may request an informal hearing before IQS. Failure by the Charter School Board to make a written request for a hearing within the 15-business day period will be treated as acquiescence to the proposed non-renewal or termination. If the Charter School Board requests an informal hearing within the 15-day period, the Charter School Board will provide documentation or other evidence in writing to IQS that addresses the issues raised in the notice for termination or non-renewal.
- c) Schedule for Hearing. Upon receipt of the documentation from the Charter School Board, IQS will give at least 10 business days prior written notice to the Charter School Board of the hearing date.

-
- d) Hearing. The parties agree that the hearing will not be subject to the requirements of Minnesota Statutes Chapter 14. The hearing will be informal and will be open to the public. Should any part of the hearing include the discussion of private data, that part of the hearing must be closed. Both the Charter School Board and IQS may be represented by legal counsel and may have witnesses provide testimony or other evidence. The hearing will be video recorded at the expense of the School.
 - e) IQS Decision. IQS will take final action to renew or not renew the Agreement no later than 20 business days before the expiration of the Agreement or the proposed date for terminating the Agreement. This final action will be in writing and will be provided to the Charter School Board. A copy will be filed with the Commissioner.

6.3 Dissolution. If this Agreement is terminated or not renewed based on the criteria in paragraph 6.2 above, or if the School ceases to operate for any reason, the School will be dissolved according to the applicable provisions of Minnesota Statutes Chapter 317A. The “Charter School Closure Plan” will be followed that is consistent with Addendum 4, attached hereto.

6.4 Distribution of Property upon Dissolution. In the event of dissolution of the School, all property that it might lease, borrow or contract for use, will be promptly returned to those organizations or individuals from which the School has leased or borrowed the materials.

6.5 Property Owned by School. All property that has been purchased by the School will remain its own property. In the event of subsequent dissolution of the School, after all financial obligations are met, the property purchased with Federal CSP funds will be distributed to other charter schools consistent with Federal law, and property purchased with State funds will be liquidated and any remaining proceeds will be returned to the State.

6.6 Property Owned by Teachers or Staff. All property personally and/or individually owned by the trained and licensed teachers or staff employed by the School will be exempt from distribution of property and will remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, curriculum manuals, personal mementos and other materials or apparatus which have been personally financed by teachers or staff.

Section 7: NON-RENEWAL FOR REASONS OTHER THAN GOOD CAUSE.

7.1 Non-renewal; Notice. The parties may mutually agree not to renew the Agreement, or IQS may elect to withdraw as an authorizer, at the expiration of the Term. In the case of a mutual agreement not to renew the Agreement, the parties shall follow the procedures and timelines set forth in Minnesota Statutes §124E.10. If nonrenewal is due to a decision by the governing board of IQS to withdraw as an approved authorizer, IQS will provide notice to the School and the Commissioner by March 1 of its intent to withdraw as an authorizer on June 30 in the next calendar year as provided in Minnesota Statutes §124E.05 subd. 7.

7.2 Mutual Termination. The parties may mutually agree to terminate the Agreement at any time, in which case the School will be required to either close or secure a replacement authorizer.

7.3 Effect of Non-Renewal or Termination. If the Agreement is not renewed or is terminated under the provisions of either 7.1 or 7.2, and if another authorizer has not agreed to serve as the new

authorizer, the School must be dissolved according to the provisions of Section 6 of this Agreement and pursuant to Applicable Law.

7.4 Information to New Authorizer. If the School requests a transfer to a new authorizer, IQS will provide the new authorizer information about the fiscal, operating and student performance of the School as required by Minnesota Statutes §124E.10

Section 8. GENERAL TERMS.

8.1 Term and Applicable Law. The term of this Agreement is from July 1, 2024 through June 30, 2025. The conditions of this Agreement require the School and IQS to comply with all requirements of Applicable Law, as the same may be amended from time to time. Both parties acknowledge their responsibility to abide by all applicable provisions of Applicable Law regardless of whether or not they are delineated in this Agreement.

8.2 Amendments. This Agreement may be amended only by a written agreement executed by both parties. If the authority of the School or IQS is altered by Applicable Law, the Applicable Law is controlling and this Agreement is automatically amended to reflect the change in law as of the effective date of such change.

8.3 IQS Authority/Autonomy. Except as otherwise provided by this Agreement or Applicable Law, IQS has no authority, control, power, or administrative or financial responsibility over the School. In carrying out its oversight responsibilities, when IQS has identified areas of concern relative to School performance, it may make recommendations to the School to encourage improvement. Such recommendations are not considered directives that impinge upon the autonomy of the School.

8.4 Arbitration. Any claims which might arise between the School and IQS under this Agreement will be submitted to binding arbitration through the American Arbitration Association and not pursued through a court of law.

8.5 Waiver. No waiver by either party or any breach of any covenant or provision of this Agreement will be deemed to be a waiver of any succeeding breach of the same or any other covenant or provision.

8.6 Severability. If any provision in this Agreement is held to be invalid or unenforceable, it will be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the Agreement will be or become in violation of any local, state or federal law, such provision will be considered null and void, and all other provisions will remain in full force and effect.

8.7 Survival of Provisions. The terms, provisions and representations contained in this Agreement that by their sense and context are intended to survive termination of this Agreement will survive.

8.8 Legal Liability. IQS does not assume any obligation with respect to any director, employee, agent, parent, guardian, student or independent contractor of the School. The parties acknowledge and agree that the Commissioner, IQS, members of the Board of IQS, and employees or contract staff of IQS, are immune from civil and criminal liability with respect to all activities related to the School,

pursuant to the Charter Law at Section §124E.09 and nothing in this Agreement is intended to affect such immunity.

8.9 Indemnification of IQS. Notwithstanding anything to the contrary in this Agreement, the School agrees to indemnify and hold IQS and the Department and their employees, agents and representatives harmless from all claims, demands, or liability, including attorney's fees, and related expenses, which arise out of or are in any manner connected with the School's operations or which are incurred as a result of the reliance of IQS upon information supplied by the School, or which arise out of the failure of the School to perform its obligations under this Agreement. In the event that a complaint is filed against the School that requires IQS, in the process of investigation, to acquire the services of an outside professional advisor(s), the School agrees to reimburse IQS for all costs associated with the investigation.

8.10 Non-agency. It is understood by the parties that the School is not an agent of IQS.

8.11 Complete Agreement. This Agreement represents the complete agreement between the parties, and supersedes and replaces all prior written and oral agreements, with respect to the authorization of the School as a charter school.

8.12 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement binding on each of the parties

[The remainder of this page is intentionally blank.]

DATED: This ____ day of _____, 20 ____

INNOVATIVE QUALITY SCHOOLS

By:

(Signature)

Steve Kelley

(Print Name)

IQS Board Chair

(Title)

STEP Academy

By:

(Signature)

Abdulrazzaq Mursal

(Print Name)

STEP Academy Board Chair

(Title)

CHARTER SCHOOL AGREEMENT: LIST OF ADDENDA

Addendum 1:	School ScoreCard
Addendum 2:	Board Assurances
Addendum 3:	Range of Possible Interventions
Addendum 4:	Charter School Closure Plan
Addendum 5:	Renewal Evaluation
Addendum 6:	Corrective Action Plan

Addendum 1: School ScoreCard

Mission

Area 1	Mission and Goals of the School and Program Model Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
1.a	Mission and Program Model	Program model is not consistent with that described in Section 2.1 of the charter contract, including amendments	Program model is not consistent with the mission and/or is partially implemented with the model described in Section 2.1 of the charter contract, including amendments.	Program model reflects the mission and is consistently implemented with the model described in Section 2.1 of the charter contract, including amendments.	The target benchmark is met and the school systematically adapts and refines the model, based on data, to reflect the needs of students.	
1.b	Statutory Purposes of Charters	The school has not articulated the statutory purposes it intends to fulfill or how it intends to fulfill them.	The school has articulated which statutory purposes it intends to fulfill and how it intends to fulfill them.	The school is actively achieving the statutory purposes it seeks to fulfill. The school is monitoring its progress and achievement of statutory purposes and includes a progress update in the charter school's annual report.	The target benchmark is met and the school actively seeks way to inform current practices, collaborate with those outside the organization, and/or improve the outcomes for all public education students.	
1.c	Curriculum	The school curriculum is not aligned with the school's mission nor is it implemented with fidelity.	The school curriculum aligns with its mission and primary purpose, but is not implemented with fidelity - or the curriculum is not aligned with the school mission or primary purpose, but is implemented with fidelity.	The school curriculum aligns with its mission and primary program purpose and is implemented with fidelity.	The target benchmark is met and the school has developed systems for analyzing curriculum effectiveness and making improvements accordingly.	
1.d	Standards	The school follows a curriculum resource and operates under the assumption that the resource is aligned with state, local and/or national standards.	Applicable state, local, and national standards are embedded into the curriculum of the school.	Applicable state, local, and national standards are intentionally aligned and embedded into the curriculum of the school.	The target benchmark is met and individual student achievement on standards is assessed and used to inform instruction.	
1.e	Professional Development	Few professional development opportunities exist - or - professional development does not support program fidelity.	Professional development is ongoing, but may not be reflective of employee job responsibilities, yet ensures program fidelity.	Professional development is ongoing, reflective of employee job responsibilities, and ensures program fidelity.	Professional development is intentional, research-based, ongoing, and aligned with the school's strategic plan. Professional development reflects employee job responsibilities and is reviewed by school board and/or school leadership at least twice annually and used to inform future planning.	
1.f	New Student Enrollment	The school does not have or utilize a processes for determining a student's academic achievement levels when they enter school.	The school is inconsistent in assessing academic achievement levels in math and reading for each student within three weeks of entering school.	Student academic achievement levels in math and reading are evaluated for each student within three weeks of entering school.	The target benchmark is met and the school uses its evaluation process to develop an individual learning plan designed to assist teachers, parents, and the student with academic growth and success.	
1.g	Student Satisfaction	Students' level of satisfaction with their school in the areas of safety, acceptance, or learning is less than 55%.	Students' level of satisfaction with their school in the areas of safety, acceptance, and learning are all greater than or equal to 55%.	Students' level of satisfaction with their school in the areas of safety, acceptance, and learning are all greater than or equal to 80%.	Students' level of satisfaction with their school in the areas of safety, acceptance, and learning are all greater than or equal to 90%.	
1.h	Parent Satisfaction	Parents' level of satisfaction with their school in the areas of safety, acceptance, or learning is less than 55%.	Parents' level of satisfaction with their school in the areas of safety, acceptance, and learning are all greater than or equal to 55%.	Parents' level of satisfaction with their school in the areas of safety, acceptance, and learning are all greater than or equal to 80%.	Parents' level of satisfaction with their school in the areas of safety, acceptance, and learning are all greater than or equal to 90%.	
1.i	Teacher Satisfaction	Teacher level of satisfaction with the school's culture or professional development is less than 55%.	Teacher level of satisfaction with the school's culture and professional development are both greater than or equal to 55%.	Teacher level of satisfaction with the school's culture and professional development are both greater than or equal to 80%.	Teacher level of satisfaction with the school's culture and professional development are both greater than or equal to 90%.	

Mission

Area 1	Mission and Goals of the School and Program Model Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points		0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
1.j	Hybrid Learning Program	The school implements a hybrid learning program more than one day per week or the program does not align with the stated descriptions, does not include dynamic interactions between students and educators, or does not integrate the National Standards for Quality Online Learning.	The school implements a hybrid learning program no more than one day per week. The program aligns with the stated descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, but does not integrate the National Standards for Quality Online Learning.	The school implements a hybrid learning program no more than one day per week. The program aligns with the stated descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, and integrates the National Standards for Quality Online Learning.	The school implements a hybrid learning program no more than one day per week. The program aligns with the stated descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, and integrates the National Standards for Quality Online Learning. The program has received accommodation from governing agency noting this accomplishment.	
1.k	Hybrid Learning Program Family Satisfaction	Less than 75% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	At least 75% but less than 85% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	At least 85% but less than 90% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	At least 90% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	
Average Score						

Area 2	Governance of the School Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
2.a	Board Membership and Structure	Board membership has been inconsistent throughout the year and the Board has failed to take actions that support recruitment and appointment or election of appropriate members.	Board membership has not consistently complied with MN 124E.07 or the board governance structure outlined in the Bylaws. The Board either has multiple unfilled seats or a seat that goes unfilled for many (five or more) months.	Board membership complies with MN 124E.07 and the board governance structure outlined in the Bylaws. The Board has adequately filled seats and takes immediate action should a vacancy occur.	The target benchmark is met and the Board is proactive in anticipating turnover by having a recruitment and onboarding plan should vacancies occur.	
2.b	Conflict of Interest	The Board has at least one instance that presents a conflict of interest that was not properly mitigated.	No Board members have any conflicts of interest but annual statements are not filed.	No Board members have any conflict of interest as defined in law and statements are filed annually.	The target benchmark is met and the Board checks for and mitigates any real, potential, or perceived conflicts of interest at each meeting. Board members engaged in training related to conflicts of interest.	
2.c	Minnesota Open Meeting Law	The Board violated Minnesota's Open Meeting Law in multiple instances and/or failed to implement timely corrective actions.	The Board has not fully complied with Minnesota's Open Meeting Law, but immediately addressed any violation(s) once they were made aware.	The Board complies with all provisions of the Minnesota Open Meeting Law, including those related to attendance via interactive technology.	The target benchmark is met and the Board educates new Board members on Minnesota's Open Meeting Law requirements.	
2.d	Board Bylaws	The Board has one or more violation(s) of their Bylaws in the past year.	The Board Bylaws are not fully consistent with charter school law. The Board has not violated their Bylaws in the past year.	The Board Bylaws are consistent with charter school law and outline the Board structure and the process for changing the Board's governance structure. The Board has not violated their Bylaws in the past year.	The target benchmark is met and the Board reviews their Bylaws at least once every two years.	
2.e	Policy Manual	Board policies do not meet all of the criteria required in MN 124E.07 and other applicable statute.	Board policies have been established in accordance to MN 124E.07 and other applicable statute. The school has failed to post them on its website or does not have a process in place for periodic review.	Board policies have been established in accordance with MN 124E.07 and other applicable statute. All policies are posted on the school website. The Board has established a process for the regular review of its policies.	The target benchmark is met and the Board has demonstrated, as documented in Board minutes, implementation of their process to regularly review policies.	
2.f	Strategic Plan	There is no strategic plan in place.	A strategic plan is in place but has no measurable performance goals or is not reviewed annually.	The Board has developed and adopted a strategic plan that includes measurable and mission-aligned performance goals that are reviewed at least annually.	The target benchmark is met and the Board uses the strategic plan to guide decision-making.	
2.g	Board Meeting Conduct	Board meetings are not consistently attended or conducted in an orderly process that follows an agenda.	Board meetings are conducted in an orderly process that follows an agenda. However, agendas are not consistently posted in accordance with Section 4.1 of the charter contract and/or attendance of Board members has prevented the Board's ability to maintain a quorum.	Board meetings consistently have a quorum and are conducted in an orderly process that follows an agenda, which is appropriately posted in accordance with Section 4.1 of the charter contract.	The target benchmark is met and board meetings follow Robert's Rules of Order or other formal governance rules, as articulated in the bylaws.	
2.h	Board Training	Board member(s) have not completed board training as required by MN 124E.07.	All board members have completed board training as required by MN 124E.07. A summary of board member training is not provided in the charter school's annual report - or - the school does not have a board development plan to support training new and ongoing board members.	All board members have completed board training as required by MN 124E.07 and a summary is provided in the charter school's annual report. The Board has a development plan to support training for new and ongoing Board members.	The target benchmark is met and a board development plan goes beyond required trainings to include topics reflective of board member or school-specific needs.	
2.i	Board Oversight of Student Learning	The Board's review of student learning data is limited - or - it is not evident how the Board uses student learning data to support student learning.	The Board reviews student learning data at least one time per year, including data related to Minnesota's accountability system and goals in the charter contract, and uses data to inform policies and programming that support student learning.	The Board reviews student learning data multiple times per year, including data related to Minnesota's accountability system and goals in the charter contract, and uses data to inform policies and programming that support student learning.	The target benchmark is met and there is evidence that the Board is making data-driven decisions to support academic and non-academic factors that promote student learning and well-being.	

Governance

Area 2	Governance of the School Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
2.j	Board Oversight of School Finances	The Board fails to implement processes that result in effective ongoing oversight of the school's finances.	The Board implements processes that generally support effective financial oversight and reviews financial information at its regular meetings. However, the Board does not have an active treasurer - or - the Board does not engage directly with their contracted financial management vendor (if applicable).	In compliance with MN 317A, the Board has in place an active treasurer, who is engaged in such things as: finance related meetings, review of expenditures and budget, presenting to the Board, etc. The Board implements processes that results in effective ongoing oversight of the school's finances. The Board reviews financial information at its regular meetings, including budget to actuals. If the Board contracts financial management services, the vendor presents and speaks directly to the Board on a quarterly or more frequent basis.	The target benchmark is met and the school has financial policies such as General Fund balance, procurement, expenditure approvals, etc. and demonstrates adherence in following those policies. The school has a finance committee that meets monthly - or - the finance provider presents to the Board at all regular board meetings.	
2.k	Board Oversight of Employment and Evaluation	The Board does not consistently engage in the authorization of employment matters and/or the Board has not implemented an annual evaluation of the school leader(s) and/or management organization.	The Board consistently engages in the authorization of employment matters (e.g. hiring, termination, leaves, etc.). The Board's evaluation of the school leader(s) and/or management organization was not conducted in accordance with policies/practices - or - the Board did not hold these individuals accountable for implementing employment and evaluation policies and practices.	The Board consistently engages in the authorization of employment matters (e.g. hiring, termination, leaves, etc.). The Board evaluates the school leader(s) and/or management organization on an annual basis per related policies/practices and holds these individuals accountable for implementing employment and evaluation policies and practices.	The target benchmark is met and the evaluation of those in leadership positions includes multiple data inputs and reflects both the school's goals and individualized performance goals.	
2.l	Board Self-Evaluation	The Board has not implemented an annual evaluation.	The Board has developed and uses a performance-based evaluation process to assess its performance annually.	The Board implements a performance-based evaluation process to assess its performance annually and uses the results to inform board member training and/or improvements to governance processes or procedures.	The target benchmark is met and the Board identifies and shares practices that promote effective governance with others in the charter sector, including IQS.	
2.m	Board Oversight - Affiliated Building Corporation (if applicable)	The Board fails to comply with MN 124E.13 - or - has received a notice of violation(s).	The Board inconsistently complies with MN 124E.13, ie. failing to complete a review of all required elements on an annual basis.	The Board annually reviews and ensures that the affiliated building corporation complies with all applicable legal requirements.	The target benchmark is met and the Board's annual review is documented in its meeting minutes.	
Average Score						

Area 3	Evaluation of School /Student Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark
3.a	Reading Growth	Less than 45% of students in Grades 1-5 will maintain or improve their FastBridge aReading percentile rank as measured from fall to spring in the same school year.	At least 45% but less than 55% of students in Grades 1-5 will maintain or improve their FastBridge aReading percentile rank as measured from fall to spring in the same school year.	At least 55% but less than 65% of students in Grades 1-5 will maintain or improve their FastBridge aReading percentile rank as measured from fall to spring in the same school year.	At least 65% of students in Grades 1-5 will maintain or improve their FastBridge aReading percentile rank as measured from fall to spring in the same school year.
3.b	Math Growth	Less than 45% of students in Grades 1-5 will maintain or improve their FastBridge aMath percentile rank as measured from fall to spring in the same school year.	At least 45% but less than 55% of students in Grades 1-5 will maintain or improve their FastBridge aMath percentile rank as measured from fall to spring in the same school year.	At least 55% but less than 65% of students in Grades 1-5 will maintain or improve their FastBridge aMath percentile rank as measured from fall to spring in the same school year.	At least 65% of students in Grades 1-5 will maintain or improve their FastBridge aMath percentile rank as measured from fall to spring in the same school year.
3.c	MCA Reading Proficiency	The overall percentage of all students scoring in the "Does not meet" on the State Reading Accountability Tests increases from the previous year and the school's percent proficiency is less than 43%.	The overall percentage of all students scoring in the "Does not meet" on the State Reading Accountability Tests is maintained or decreases up to (but not including) three percentage points from the previous year OR the school's percent proficiency will exceed 43%.	The overall percentage of all students scoring in the "Does not meet" on the State Reading Accountability Tests will decrease by at least three and up to (but not including) five percentage points from the previous year OR the school's percent proficiency will exceed 52%.	The overall percentage of all students scoring in the "Does not meet" on the State Reading Accountability Tests will decrease by five or more percentage points from the previous year OR the school's percent proficiency will exceed 60%.
3.d	MCA Math Proficiency	The overall percentage of all students scoring in the "Does not meet" on the State Math Accountability Tests is maintained or increases from the previous year and the school's percent proficiency is less than 40%.	The overall percentage of all students scoring in the "Does not meet" on the State Math Accountability Tests decreases up to (but not including) four percentage points from the previous year OR the school's percent proficiency will exceed 40%.	The overall percentage of all students scoring in the "Does not meet" on the State Math Accountability Tests will decrease by at least four and up to (but not including) six percentage points from the previous year OR the school's percent proficiency will exceed 45%.	The overall percentage of all students scoring in the "Does not meet" on the State Math Accountability Tests will decrease by six or more percentage points from the previous year OR the school's percent proficiency will exceed 50%.
3.e	Equity in Achievement	The class failure rate of students in Grades 6-12 who qualify for special education services is more than eight percentage points higher than that of general education peers.	The class failure rate of students in Grades 6-12 who qualify for special education services is three to eight percentage points higher than that of general education peers.	The class failure rate of students in Grades 6-12 who qualify for special education services is the same as or up to (but not including) three percentage points higher than that of general education peers.	The class failure rate of students in Grades 6-12 who qualify for special education services is less than that of general education peers.
3.f	Reading Well by Third Grade	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) or blue (85-100 percentile) on the FastBridge aReading test did not increase from Fall to Spring.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) or blue (85-100 percentile) on the FastBridge aReading test increased by up to (but not including) four percentage points from Fall to Spring.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) or blue (85-100 percentile) on the FastBridge aReading test increased by at least four and up to (but not including) eight percentage points from Fall to Spring.	The percent of students in grades 1-3 scoring in the green (30-84.99%) or blue (85-100%) on the FastBridge aReading test will increase by eight percentage points or more from Fall to Spring.
3.g	21st Century Skills: Information Literacy	Fewer than 70% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	70-74% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	75%-80% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	More than 80% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.
3.h	Graduation Rate	The four-year graduation rate is less than or equal to 84%.	The four-year graduation rate is 85-89%.	The four-year graduation rate is 90-94%.	The four-year graduation rate is greater than or equal to 95%.
3.i	College & Career Readiness	The percent of juniors and seniors successfully earning college credits through the PSEO program is below 15%.	The percent of juniors and seniors successfully earning college credits through the PSEO program is at least 15% but less than 30%.	The percent of juniors and seniors successfully earning college credits through the PSEO program is at least 30% but less than 50%.	The percent of juniors and seniors successfully earning credits through the PSEO program meets or exceeds 50%.

Performance

Area 3	Evaluation of School /Student Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark
		Points	0.0-1.9	2.0-2.9	3.0-3.9
3.j	Consistent Attendance	The school's consistent attendance rate, according to the data publicly reported during the contracted year (often over a year behind), is less than 65%.	The school's consistent attendance rate, according to the data publicly reported during the contracted year (often over a year behind), is at least 65% but less than 80%.	The school's consistent attendance rate, according to the data publicly reported during the contracted year (often over a year behind), is at least 80% but less than 90%.	The school's consistent attendance rate, according to the data publicly reported during the contracted year (often over a year behind), is at least 90%.
3.k	Social Emotional Learning	Less than 60% of randomly sampled students will score at least 80% or more on the Responsible Decision Making Common Assessment (provided by IQS).	At least 60% but less than 70% of randomly sampled students will score at least 80% or more on the Responsible Decision Making Common Assessment (provided by IQS).	At least 70% but less than 80% of randomly sampled students will score at least 80% or more on the Responsible Decision Making Common Assessment (provided by IQS).	At least 80% of randomly sampled students will score at least 80% or more on the Responsible Decision Making Common Assessment (provided by IQS).
3.l	MCA Science Proficiency	The overall percentage of all students scoring in the "Does not meet" on the State Science Accountability Tests is maintained or increases from the previous year and the school's percent proficiency is less than 40%.	The overall percentage of all students scoring in the "Does not meet" on the State Science Accountability Tests decreases up to (but not including) four percentage points from the previous year OR the school's percent proficiency will exceed 40%.	The overall percentage of all students scoring in the "Does not meet" on the State Science Accountability Tests will decrease by at least four and up to (but not including) six percentage points from the previous year OR the school's percent proficiency will exceed 45%.	The overall percentage of all students scoring in the "Does not meet" on the State Science Accountability Tests will decrease by six or more percentage points from the previous year OR the school's percent proficiency will exceed 50%.
Average Score					

Area 4	Finance	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
4.a	Budget Development and Approval	The Board fails to approve a budget for the fiscal year by July 1 - or - the assumptions are not reasonable and the budget does not support financial sustainability.	The preliminary school budget is approved by the Board before July 1st. However, the assumptions may not be reasonable - or - the Board does not revise the budget when necessary.	The preliminary school budget is approved by the Board before July 1, reflects reasonable assumptions, and supports financial sustainability. The budget is revised when necessary.	The target benchmark is met and the school has a budget approval policy with evidence demonstrating that the policy is followed and that the treasurer and Board are engaged in the process via multiple opportunities.	
4.b	Long-Range (three years or more) Financial Planning	There is no evidence of a long-range budget or financial plan.	A long-range budget or financial plan has been developed but has not been reviewed and updated annually.	A long-range budget or financial plan has been developed and is reviewed and updated annually.	The target benchmark is met and the school uses the long-range plans to inform the development of annual budgets.	
4.c	Budget Priorities	The school does not have a system or process in place to review and ensure that the patterns of expenditures are consistent with the mission, program model, goals, or strategic plans of the school.	The school has systems or a process in place to review patterns of expenditures, which are partially consistent with the mission, program model, goals, and/or strategic plans of the school.	The school has systems or a process in place to review and ensure that patterns of expenditures are consistent with the mission and program model, and are responsive to student learning.	The target benchmark is met and the patterns of expenditures are responsive to the goals and strategic plans of the school.	
4.d	School Finance Management	School finances are not managed effectively and/or there have been a number of validated concerns related to financial management.	School finances are managed internally or by a finance management company. There is a lack of redundancy in financial management systems and expenditure approval - or - bills have not been consistently paid within 35 days.	School finances are managed effectively internally or by a contracted financial manager. There is redundancy in financial management systems and expenditure approvals. All bills are paid within 35 days.	The target benchmark is met and the school receives the MDE Finance Award.	
4.e	School General Fund Balance	The school does not have a general fund balance and is considered to be in Statutory Operating Debt (SOD).	The school's general fund balance is less than 10% of operating expenditures.	The school has maintained a general fund balance between 10% and 15%.	The school has maintained a general fund balance in excess of 15%.	
4.f	State and Authorizer Financial Reports	On more than one occasion, mandatory financial reports have not been completed and submitted on time.	On at least one occasion, a mandatory financial report was not completed accurately - or - not submitted on time.	Mandatory financial reports are completed and submitted on time.	The target benchmark is met and school leadership has established and utilizes proactive processes to complete and submit mandatory financial reports.	
4.g	Payroll Management	The school has received more than one notice with findings of failure to properly submit payroll and all state/federal taxes, pensions, insurance, etc. in a timely manner.	The school has received one notice with findings of failure to properly submit all payroll and state/federal taxes, pensions, insurance, etc. taxes in a timely manner.	All payroll and state/federal taxes, pensions, insurance, etc. are paid accurately and on time.	The target benchmark is met and the school has not received a substantiated complaint from an employee related to the timely remuneration of compensation and/or notice with findings from the state for delinquency in the payment of state/federal payroll taxes.	
4.h	School Audit	The audit was not completed - or - identifies more than one internal control or single audit finding - or - findings from the prior years audit have not been resolved and reappear in the current audit.	The audit report was not filed on time with the MDE - or - it identifies one internal control or single audit finding. Findings from the prior year's audit have been resolved.	The audit report is filed on time with the MDE and does not identify any internal control findings or single audit findings. All findings from the prior year's audits have been resolved and do not reappear in the current audit.	The target benchmark is met and the school does not have any legal compliance findings.	
4.i	Lease Expenditures	The school's lease aid entitlement is based on a per pupil unit calculation and the school pays more than 20% of the lease costs with non-lease aid revenue.	The school's lease aid entitlement is based on a per pupil unit calculation and the school pays 15%-20% of the lease costs with non-lease aid revenue.	The school's lease aid entitlement is based on a per pupil unit calculation and the school pays less than 15% of the lease costs with non-lease aid revenue.	The school's lease aid revenue entitlement is equal to 90% of the approved costs.	
4.j	Affiliated Building Company Audit (if applicable)	The school's annual audit report does not include audited financial data of the affiliated building corporation as required by MN 124E.16 - or - the audit of the Affiliated Building Corporation identifies multiple findings.	The school's annual audit report includes audited financial data of the affiliated building corporation as required by MN 124E.16. The audit of the Affiliated Building Corporation identifies one finding and/or is not submitted to MDE on time.	The school's annual audit report includes audited financial data of the affiliated building corporation as required by MN 124E.16. The audit of the Affiliated Building Corporation does not identify any findings and is submitted to MDE on time.	The target benchmark is met and the school submits related documentation to the authorizer.	

Finance

Area 4	Finance	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
4.k	Bond Covenants (if applicable)	The school and Board did not meet all bond covenants.	The school and Board meet all bond covenants but failed to file all required documentation on time.	The school and Board meet all bond covenants and files all related documentation on time.	The target benchmark is met and there is a process that is implemented to ensure Board member and school leadership awareness of statutory, contractual, and financial obligations related to the school's bonds.	
Average Score						

Area 5	Operations of the School Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
5.a	Background checks	There is little or no evidence that all individuals who seeks to enter a school or its grounds for the purpose of serving as a school volunteer or working as an independent contractor or employee, have completed criminal background checks.	There is evidence that all individuals who seek to enter a school or its grounds for the purpose of serving as a school volunteer or working as an independent contractor or employee, have completed criminal background checks, but related documentation is not submitted per state, federal, and authorizer requirements.	There is evidence that all individuals who enter a school or its grounds for the purpose of serving as a school volunteer or working as an independent contractor or employee, have completed criminal background checks and are submitted per state, federal, and authorizer requirements.	The target benchmark is met and the school has developed and consistently implements related policies and practices.	
5.b	Educator Licensing and Assignments	One or more certified staff members do not have a valid license that aligns with their assignment(s) - and/or - more than 25% of teaching staff have a Tier 1 or repeated use of Out-of-Field permissions from PELSB - and/or - the school has repeated use of short-call substitute(s) to fill a licensed teaching position.	All certified staff members are licensed appropriately for their assignment(s). Less than 25% of teaching staff have a Tier 1 license or repeated Out-of-Field permissions from PELSB.	All certified staff members are licensed appropriately for their assignment(s). At least 75% of teachers have a Tier 3 or Tier 4 license and/or the school has a professional development plan to support teaching staff in attaining full licensure and/or the school has a plan for attaining a fully licensed teacher the following year. Less than 25% of teaching staff have Out-of-Field permissions from PELSB.	The target benchmark is met and all teaching staff have a Tier 3 or Tier 4 license and/or the school has implemented a professional development plan to support teachers in attaining full licensure and/or the school has a plan for attaining a fully licensed teacher the following year.	
5.c	Leadership Qualifications and Professional Development	The schools meets few of the statutory requirements in MN 124E.12 addressing the qualifications, employment, performance evaluation, and professional development of all those in administrative, supervisory, or instructional leadership roles.	The schools meets most of the statutory requirements in MN 124E.12 addressing the qualifications, employment, performance evaluation, and professional development of all those in administrative, supervisory, or instructional leadership roles.	The qualifications, employment, performance evaluation, and professional development of all those in administrative, supervisory, or instructional leadership roles adhere to statutory requirements in MN 124E.12.	The target benchmark is met and all those in administrative, supervisory, or instructional leadership roles are supported by the Board through annual professional development plans and/or performance evaluations that are responsive to the school's strategic plans.	
5.d	Enrollment Policy and Procedures	Enrollment policies and procedures are not consistent with MN 124E.11.	Enrollment policies and procedures are consistent with MN 124E.11 but are not consistently followed or are not posted on the school's website.	Enrollment policies and procedures are consistent with MN 124E.11 including proper posting on the school's website.	The target benchmark is met and the school engages in active community outreach to connect with prospective students and families.	
5.e	Transportation	A transportation system is either not in place - or - is in place but fails to meet multiple requirements established in MN 124E.15.	A transportation system is in place but fails to meet one of the requirements established in MN 124E.15.	A system of transportation is in place and meets all requirements established in MN 124E.15. Annually, a survey of student and/or parent satisfaction is conducted as a means of determining the effectiveness of the transportation system.	The target benchmark is met and the results of the survey show a satisfaction rate of at least 80%.	
5.f	School Complaint and Resolution Procedures	Complaint and resolution procedures have not been established.	Complaint and resolution procedures have been established but are not on the school's website and/or inconsistently followed by the school.	Complaint and resolution procedures have been established, are on the school's website, and are consistently followed by the school.	The target benchmark is met and staff members can articulate the resolution procedures. If there have been any complaint(s) with in the last year, evidence has been presented that all complaints have been resolved through the consistent application of the procedures.	
5.g	Website Compliance	The school does not have a website - or - the website is absent of many statutory required elements.	The school has a website that is missing a few of the required elements and/or the school has required multiple corrective reminders.	The school's website includes all statutory requirements and the school has not needed more than one corrective reminder during the past year.	The target benchmark language is met and the school has a process in place to ensure that the website remains updated.	
5.h	School Insurance	The school does not have insurance - or - has insurance that does not meet multiple requirements in MN Chapter 466 and Section 4.15 of the charter contract.	The school has insurance that meets all but one requirement in MN Chapter 466 and Section 4.15 of the charter contract.	The school has insurance in place that fully aligns with requirements in MN Chapter 466 and Section 4.15 of the charter contract.	The target benchmark is met and the insurance policy is annually reviewed by the Board.	
5.i	State and Federal Laws	State and federal laws such as those related to special education, ESL, student discipline, discrimination, and school nutrition are being followed. However, the school had multiple minor violations that went uncorrected - or - more than one major violation.	State and federal laws such as those related to special education, ESL, student discipline, discrimination, and school nutrition are being followed. However, the school had minor violations that were not corrected immediately - or - one major violation.	State and federal laws such as those related to special education, ESL, student discipline, discrimination, and school nutrition are being followed. The school had no major violations - or - had minor violations that were corrected immediately.	State and federal laws such as those related to special education, ESL, student discipline, discrimination, and school nutrition are being followed. The school had no violations.	
5.j	Required Immunization	Many students have incomplete or missing immunization records.	The school inconsistently oversees or implements the processes and procedures to ensure that the required immunizations for students are on file.	Processes and procedures are in place to ensure that the required immunizations for students are on file.	The target benchmark is met and policies and procedures for parents to file an exemption are available on the school website. All records are kept in accordance with HIPAA requirements.	

Operations

Area 5	Operations of the School Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	Points	0.0-1.9	2.0-2.9	3.0-3.9	4.0	0.0-4.0
5.k	Nonsectarian Assurance	The school did not submit annual charter school assurances - or - has multiple substantiated instances related to noncompliance with nonsectarian requirements.	The school did not submit annual charter school assurances on time - or - has one substantiated instance related to noncompliance with nonsectarian requirements.	Consistent with MN 124E.06, the school is nonsectarian in all aspects of its operations and has submitted annual charter school assurances on time.	The target benchmark is met and the school has a proactive process in place to vet potential vendors, contractors, programs, curricular resources, etc. to ensure compliance with nonsectarian requirements.	
5.l	State Reporting Requirements (non-finance)	The school does not have the capacity to manage all state reporting requirements - or - multiple notices of noncompliance have been issued.	The school has the capacity to manage all state reporting requirements. However, one notice of noncompliance has been issued.	The school has the capacity to manage all state reporting requirements with submittals made on a timely basis. No notices of noncompliance have been issued.	The target benchmark is met and school leadership has established and utilizes proactive processes to ensure efficient completion and submission of state reports.	
5.m	Health and Safety	The school was cited for multiple health and safety related violations.	The school was cited for one health and safety related violation.	The school adheres to all health and safety requirements in accordance with Minnesota Statutes and as cited Section 4.10 of the charter contract. No notices with findings have been issued.	The target benchmark is met and school leadership has established and utilizes proactive processes to review health and safety requirements.	
5.n	Lease Provisions and Lease Aid Application	The school's lease agreement is not fully compliant with MN 124E.13 - or - the lease aid application for the current fiscal year is submitted after December 1 or more than 60 business days of entering into a new or revised lease.	The school has entered into a lease agreement in accordance with MN 124E.13 and the lease aid application for the current fiscal year is submitted by December 1 or between 31-60 business days of entering into a new or revised lease.	The school has entered into a lease agreement in accordance with MN 124E.13 and the lease aid application for the current fiscal year is submitted by October 1 or within 30 business days of entering into a new or revised lease.	The school has entered into a lease agreement in accordance with MN 124E.13 and the lease aid application for the current fiscal year is submitted by July 1.	
5.o	Organizational Systems	The school does not have internal operations that result in a well managed school - or - there is no evidence of an organizational chart, position descriptions or performance evaluations.	There is evidence of an organizational chart, position descriptions, and performance evaluations. However, they have not been reviewed by the Board within the past two years.	The school has internal operations that result in a well managed school, including a management chart, position descriptions, performance evaluations, etc. Documents and systems have been reviewed by the Board within the last two years.	The target benchmark is met and documents and systems are annually reviewed by the Board.	
Average Score						

Addendum 2: Board Assurances

Board Roster

Board Member	Position	Email	Term Expires	Phone
Abdiladif Sanbul	Treasury Parent	asanbul@stepacademymn.org	June 30, 2026	612-483-7686
Mursal, Abdulrazzaq	Board Chair Parent	abdulrazzaqmursal@stepacademymn.org	June 30, 2025	952-688-6705
Rahima Ahmed	Teacher	rahmed@stepacademymn.org	June 30, 2026	952-288-0012
Mohamed, Shuriye	Vice Chair Community Member	mshuriye@stepacademymn.org	June 30, 2025	651-808-3578
Awil Omar	Teacher File Folder: 511664	@stepacademymn.com	June 30, 2025	612-707-1582

[\[Insert completed forms\]](#)

Addendum 3: Range of Possible Interventions

B.6.1 Range of Interventions

The interventions set forth below are to provide a guide as to expectations and directives IQS will impose in the event IQS has reasons to have a formal communication with the School regarding the implementation of this “IQS/School Performance Agreement.” The chart below describes different levels of intervention and the potential results. The interventions below need not be implemented sequentially. The listed interventions that IQS may take are not limited to those set forth in the chart below. Rather, this chart sets forth the common methods of recognition or corrective action that may be taken and is not to be interpreted as exclusive of other potential interventions not listed. Similarly, the identified potential causes and steps to be taken if an intervention is imposed are not exclusive of other causes and steps but as examples to provide a better understanding of the intervention process. IQS will implement these interventions and others as it sees fit and at its sole discretion. Interventions will be communicated through a formal written notice from IQS to the School’s Board.

Intervention	Potential causes to prompt the intervention:	What happens next
Letter of Commendation	The School is recognized by organizations or individuals for its excellent work.	Local recognition and celebration of the areas of positive performance.
Notice of Concern	Signs of weak performance or initial concerns related to: failure to provide requested information or file timely reports, violations of local policies, applicable laws or conditions in the charter contract, issues pertaining to student safety, equity, or access; adverse findings in routine oversight; or substantiated complaints.	<ul style="list-style-type: none"> ● School Board and Authorizer meeting, as necessary. ● School may be required to implement remedial action steps outlined in the Notice. ● School responds with information requested or implements remediation action steps within the timeline outlined in the Notice.
Notice of Deficiency	Significant indicators or patterns of weak performance related to: failure to provide requested information or file timely reports, violations of local policies, applicable laws or conditions in the charter contract, issues pertaining to student safety, equity, or access; adverse findings in	<ul style="list-style-type: none"> ● School Board and Authorizer meeting, as necessary. ● School Board must review and discuss the concerns in the Notice at a public meeting of the Board, adhering to data privacy as necessary. ● If applicable, School responds with information as requested, within the timeline outlined in the Notice. ● School may be required to implement

	<p>routine oversight; substantiated complaints; or failure to satisfactorily remedy previously identified concerns.</p>	<p>remedial action steps outlined in the Notice and/or to develop and implement a Corrective Action Plan.</p>
<p>Notice of Probationary Status</p>	<p>This notice will be sent if the school does not address the issues in a Notice of Deficiency or if a significant performance issue exists related to: failure to provide requested information or file timely reports, violations of local policies, applicable laws or conditions in the charter contract, issues pertaining to student safety, equity, or access; adverse findings in routine oversight; substantiated complaints; or failure to satisfactorily remedy previously identified concerns.</p>	<ul style="list-style-type: none"> ● A copy of the Notice sent by IQS placing the school in probationary status will be sent to MDE. ● School Board and Authorizer meeting within the timeframe allotted in the Notice to review concerns, the expectations for corrective actions, and potential consequences. ● School may be required to implement remedial action steps outlined in the Notice and is required to develop a Corrective Action Plan (CAP) per the description below and submit it to IQS within the timeframe provided. ● IQS will review the school’s CAP and approve, modify, or reject the plan. ● The CAP must be approved by the School Board and is included in IQS oversight of the School. ● School Board must provide accurate and timely communications regarding the school’s probationary status and progress on CAP with interested parties, including but not limited to the school community and authorizer, at public meetings of the Board, adhering to data privacy as necessary. ● Probationary status remains in effect until the identified issues have been resolved and the school has demonstrated positive performance in areas of concern. IQS will provide formal notice of the removal of probationary status to the School Board and MDE. ● Failure to timely and properly demonstrate corrective actions that resolve concerns could result in charter revocation or school closure.
<p>Notice of Revocation</p>	<p>Continued failure to comply with applicable law or with the</p>	<ul style="list-style-type: none"> ● A copy of the Notice sent by IQS notifying the school of its consideration of charter

Consideration	charter contract; Failure to meet or make sufficient progress toward meeting terms of the remedial or corrective action plan; Noncompliance with an applicable health or safety standard.	<p>revocation will be sent to MDE.</p> <ul style="list-style-type: none"> ● School Board and Authorizer meeting within the timeframe allotted in the Notice to review concerns, the expectations for corrective actions, and potential consequences. ● School may be required to implement remedial action steps outlined in the Notice and is required to develop a Corrective Action Plan (CAP) per the description below and submit it to IQS within the timeframe provided. ● IQS will review the school’s CAP and approve, modify, or reject the plan. ● The CAP must be approved by the School Board and is included in IQS oversight of the School. ● School Board must provide accurate and timely communications regarding the school’s charter revocation and progress on CAP with interested parties, including but not limited to the school community and authorizer, at public meetings of the Board, adhering to data privacy as necessary. ● Failure to demonstrate corrective actions that resolve concerns could result in charter revocation or school closure.
Charter Revocation	Charter Review results in recommendation to revoke.	Commencement of charter revocation proceedings consistent with Minnesota Statutes Chapter 124E and the terms of the charter contract.

Minimal Expectations for remedial or corrective actions:

Remedial Action Steps: May be recommended or required for schools receiving any Notice of Intervention and is often outlined in a Notice of Intervention.

Corrective Action Plan: May be recommended or required for schools receiving a Notice of Intervention. If required, a School Board must engage in a root cause analysis to identify why the identified issues occurred. A Corrective Action Plan must identify, document, and address the root causes as it relates to the identified concerns.

Elements of a Corrective Action Plan:

- Summary of the process utilized, people involved, and key findings of the Root Cause Analysis;
- Action steps to address the root causes or other circumstances related to areas of concern;
- Action steps need to include: what specific action is to be taken, who is responsible, the implementation timeline, necessary resources;
- A summary of how the school's board will provide oversight of the CAP, which at minimum must include updates at all regular meetings of the school board;
- Plan for monitoring and sharing progress made on the CAP with the school community and to IQS.

Corrective Action Plans are integrated into IQS oversight. Failure to demonstrate corrective actions that properly resolves concerns, as determined in the sole discretion of IQS, could result in school closure.

Investigation Requirements:

If IQS requires the School Board to retain a third-party investigation, the school shall retain the investigator within ten (10) days of the date the notice of such requirement is sent by IQS via U.S. Mail or email to the school. The third party investigator must be approved in advance and in writing by IQS before engaged by the School Board. The School Board shall authorize such investigator to provide status reports as well as a final report, to IQS and to communicate with IQS upon the request of IQS. IQS specifies a target date for correction which may, if circumstances warrant, be amended. The School shall be solely responsible for the costs of the investigation, including the cost of providing reports to IQS.

Addendum 4: Charter School Closure Plan



An approved authorizer of chartered schools in Minnesota

B.9.1 Charter School Closure Process

The closing of a charter school is not an easy decision for a school board or authorizer to make. Yet, it demonstrates a commitment to quality school choice and the health of the broader charter school community. The students and families and staff at the school are the priority for this school closure process.

Much like opening or starting a school, this task will be challenging. The level of care and passion that was the impetus of the school needs to be present in closing the school as well.

This document provides a guide for the closure process and should be one tool used, supported by other resources, such as legal counsel, offices within the MN Dept of Education, and IQS.

The role of the authorizer in a closure process is to promptly notify the Department of Education and Commissioner of Education of the closure and to monitor the closure proceedings undertaken by the Board to the extent possible.

The Charter School Board (the Board) is responsible for ensuring the School is closed in an orderly fashion according to Applicable Law. The Charter School Board shall provide Innovative Quality Schools (IQS) with verification of completion of the items listed below.

Name of school: _____

School address: _____

Primary Charter School Personnel responsible for closure plan

Name: _____ Phone: _____

Email: _____

Secondary Charter School Personnel responsible for closure plan

Name: _____ Phone: _____

Email: _____

Submit materials to the IQS Leadership Team

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
Involuntary Closure				
Notification of the Charter School Board, the MN Department of Education, and the Commissioner of Education	Within 10 days from charter revocation	Authorizer		
Voluntary Closure				
<p>Notify the MN Department of Education and the Commissioner of Education and Authorizer about the closure by sending board minutes or other formal documentation of the decision to close to mde.charterschools@state.mn.us.</p> <p>After notifying the commissioner, submit the following to MDE not later than two weeks after receipt of this guidance. Submit the documentation as one or more attached PDFs, with all pages clearly labeled and numbered, via email to mde.charterschools@state.mn.us.</p> <ul style="list-style-type: none"> • A closure plan consistent with the charter contract and Minnesota Statutes, Chapter 317A. • Financial information about the school's liabilities and assets. • An updated board roster for the school, including board member contact information. (Non-school contact information is requested in case school phone or email service is discontinued.) • Identify the school's point of contact for the closure process (as listed above). 	Immediately Following Board Decision to Cease Operations	School Director		
Immediate Board Actions				
Take Board Action to Dissolve the school	First Step	Board Chair and School Director		
<p>Establish ad hoc Committee</p> <ul style="list-style-type: none"> <input type="checkbox"/> Designate School contact person(s) to send and receive communications from IQS. <input type="checkbox"/> Designate school employees or School Board members who will handle various aspects of School closure operations; and <input type="checkbox"/> Provide contact information, and list of employees / School Board members and correspondent responsibilities to IQS. <input type="checkbox"/> Instruct contact persons to heed notification requirements for time sensitive notifications, if any. 	Immediately Following Board Decision to Cease Operations	Board Chair and School Director		
<p>Create a Comprehensive Plan for School Closure <i>incorporating all identified steps are outlined below</i></p>	Within 20 Days of Decision to Dissolve Operation	As identified in Action Item 2		
<p>Appropriate School Reserve Funds <i>to ensure closure activities are fully funded (i.e. legal fees etc.)</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Segregated by School Board resolution in a separate checking account up to \$50,000 in funds to be used for legal, accounting 	Immediately Following Board Decision to	As identified in Action Item 2		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>and other expenses to execute this Closure Plan and to dissolve the School Corporation.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cover staff payroll and benefits as outlined in your employee contracts/agreements. <input type="checkbox"/> D&O Insurance - Maintain existing directors and officers liability (D&O) insurance, if any, until final dissolution of the School Corporation. If no such D&O insurance exists, disclose this fact to the board of directors. 	Cease Operations			
Notifications				
<p>Notify School Districts of Students Residences of Decision to Dissolve Operations</p> <p>Within 7 days after the charter revocation, the School must notify the school district(s) of students' residence regarding the termination of the education program and lack of future enrollment.</p> <ul style="list-style-type: none"> <input type="checkbox"/> If applicable, notification regarding cessation of food and transportation services should be provided. <input type="checkbox"/> Provide notice to the districts that arrangements should be made to pick up any district property; e.g., borrowed books, nursing equipment. <input type="checkbox"/> Provide IQS and legal counsel with a copy of the notice. 	Within 7 Days of Board Decision	As identified in Action Item 2		
<p>Notification of Parents / Guardians</p> <p>Within 10 days after charter revocation, notify parents / guardians and employees of school regarding the closure of the School, if such notification has not been made. Such notification shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> date of the last day of regular instruction; <input type="checkbox"/> cancellation of any planned summer school; <input type="checkbox"/> enrollment of children in their district of residence or other school is mandatory under state law for children that are six years of age or older; <input type="checkbox"/> inclusion of a listing of the names of charter, parochial, public and private schools in the area, <input type="checkbox"/> how the school will provide information and assistance to families that will help them to enroll their students in another school. <input type="checkbox"/> how transfer of student records (including disciplinary records) will be handled and offer of copies of student records before the CHARTER REVOCATION; <input type="checkbox"/> that once the school closes, the remaining student records will be distributed to each students' school district of residence; <input type="checkbox"/> Provide IQS and legal counsel with a copy of the notice. 	<p>Within 7 Days of Decision</p> <p>Within 10 days from charter revocation</p>	As identified in Action Item 2		
<p>Final Report Cards and Student Records Notice</p> <p>Within 7 days after CHARTER REVOCATION, provide parents / guardians with copies of final report cards and notice of where student records will be sent (the school district of the School's</p>	Within 7 Days of End of School Year	As identified in Action Item 2		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>location) and specific contact information.</p> <p><input type="checkbox"/> The notice must advise the parent/guardian to contact the school where the student intends to enroll and to have the student's new school contact the School's district of location to have the student's educational records transferred to the new school.</p> <p><input type="checkbox"/> Provide IQS and legal counsel with a copy of the notice.</p>				
<p>Transfer of Student Records and Testing Material <i>Note: Original copies of student records are to be retained until MDE's audit of public counts is complete and Charter school staff also may be asked to participate in IEP staffing meetings at schools in which the students enroll after leaving the charter school.</i></p> <p>No later than 10 days after CHARTER REVOCATION send complete student records to the student's district of residence.</p> <p><input type="checkbox"/> Provide IQS with confirmation of records transfer.</p> <p>The charter school needs to verify that student records are complete and accurate prior to transfer. Individual records should at least contain:</p> <ul style="list-style-type: none"> ● Attendance records ● Grades/report cards ● Assessment/testing information ● Credits earned ● Individualized Education Plan (IEP) and other special education records if applicable ● Immunization records ● Continual Learning Plan if applicable ● MARSS number ● Record of graduation ● Any other information included in a transcript <p>All end of school year grades and evaluations must be completed and made part of the student records, including any IEP / Committee on Special Education meetings / progress reports.</p> <p>As noted above, parents / guardians should be offered copies of students' records before CHARTER REVOCATION.</p> <p>Testing material, including scores, test booklets, and annual data files etc. required to be maintained by the School by the State Education Department must also be forwarded to the School's district of location.</p> <p><input type="checkbox"/> To the extent that scores, etc. will come into existence after the CHARTER REVOCATION, arrangements should be made with the testing agent to forward such material to the district of location. The school should also send a set of Individual Student Reports to the resident district and parents.</p> <p><input type="checkbox"/> Provide notice to inform the student and the student's parent or guardian that formal disciplinary records will be transferred</p>		As identified in Action Item 2		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
as part of the student's educational record, in accordance with data practices under chapter 13 and the Family Educational Rights and Privacy Act of 1974, United States Code, title 20, section 1232(g).				
Financial				
<p>Interim Statements No later than 30 days after charter revocation, prepare, and submit to authorizer, an interim statement in a form satisfactory to authorizer, of the status of all contracts and other obligations of the School, and all funds, including principal and accrued interest, owed to, and by, the School, with supporting evidence showing:</p> <ul style="list-style-type: none"> * all vendors/creditors or former vendor/creditors, any amounts paid to vendor/creditors (or in-kind exchanges of assets) * any amounts of debt of the School outstanding, including principal and accrued interest, as of the date of the interim report; and * all amounts owed to the School by debtors, any amounts paid by debtors, and whether any debtors have paid in full, and any amounts outstanding; and * all income generated through sale or auction of assets and any other change in status of assets. <p>The School will prepare and submit such statements to the authorizer at 30 day intervals until the final statement is prepared and submitted.</p>				
<p>Schedule and complete a financial audit by December 31, per Minnesota Statutes, section 124E.16, subdivision 1(b) and section 123B.77, subdivision 3(a).</p>	by December 31	As identified in Action Item 2		
<p>Complete closure and dissolution of your charter school's nonprofit corporation pursuant to Minnesota Statutes, Chapter 317A, the Minnesota Nonprofit Corporation Act, specifically sections 317A.701 to 317A.791 and section 317A.811 regarding notification to the attorney general, as well as other applicable statutes related to charter school closure, including section 124E.25, subdivision 1a and section 15.054 (per section 124E.16, subdivision 1)</p> <p>The School Board must continue to take all steps necessary to maintain its 501(c)(3) status, including, but not limited to, the following:</p> <ul style="list-style-type: none"> * notification to IRS regarding any address change of the School Corporation; and * filing of required tax returns or reports (e.g., IRS Form 990 and Schedule A). * If the School Corporation proceeds to dissolution, notify the IRS of dissolution of the education corporation and its 501(c)(3) status and furnish a copy to the authorizer. <p>Note: The board of directors of the charter school should engage its legal counsel to ensure the dissolving corporation follows the requirements of both the Minnesota Nonprofit Corporation Act and statutes applicable to charter schools.</p>		As identified in Action Item 2 School's Legal Counsel		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>Notify all Sources of School Revenue of Decision to Dissolve Operations</p> <p>Within 7 days after CHARTER REVOCATION, all other sources of the School's operational funding must be notified in writing of the closure of the School as well as charitable partners of the School.</p> <ul style="list-style-type: none"> <input type="checkbox"/> The School should not accept further loans from management companies, etc. nor otherwise incur additional liability. However, it may continue to accept gifts from charitable partners as long as the charity is aware of the School's closure / restructuring status. <input type="checkbox"/> Charities with property on the premises of the School should be notified to remove the same as soon as possible or after CHARTER REVOCATION, whichever is appropriate. 	<p>Within 7 days from charter revocation</p>	<p>As identified in Action Item 2</p>		
<p>Notify All Contractors of Decision to Dissolve Operations <i>(i.e. auditors, business managers, telephone service, food service, transportation etc.)</i></p> <p>Within 20 days after charter revocation, formulate a list of all contractors with contracts in effect, and notify them regarding cessation of current school operations at CHARTER REVOCATION.</p> <ul style="list-style-type: none"> <input type="checkbox"/> If applicable, instruct contractors to make arrangements to remove any contractor property from the School facility by a date certain, e.g., copying machines, water coolers, other rented property. <input type="checkbox"/> Provide IQS and legal counsel with a copy of such notice. <input type="checkbox"/> Retain records of past contracts with proof that they were fully paid (see Records Retention, below) to prevent spurious claims. <p>As appropriate, and to the extent possible, terminate contracts for goods and services as of the last date such goods or services will be needed to the extent not necessary for the educational program or wind-up of the School.</p> <ul style="list-style-type: none"> ➤ Telephone, gas, electric, water, insurance (premises and D&O insurance, see below) should remain operative through the CHARTER REVOCATION and to the extent necessary to wind up the School's affairs beyond that time. 				
<p>Notify All Employees and Benefit Providers</p> <p>After an employee termination date is established, but in no event later than 60 days before CHARTER REVOCATION, notify all employees of termination of employment and/or contracts, and notify benefit providers of pending termination of all employees. Further notify employees and providers of termination of all benefit programs, and, if allowable, terminate all programs as of the last date of service in accordance with applicable law and regulations (i.e. COBRA), including:</p> <ul style="list-style-type: none"> ● health care / health insurance; ● life insurance; ● dental plans; ● eyeglass plans; 	<p>No Later Than 60 Days Before the End of the School Year/BEFORE charter revocation</p>	<p>As identified in Action Item 3</p>		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<ul style="list-style-type: none"> • cafeteria plans; • 401(k), retirement plans; and • pension plans. • TRA • PERA <p>Specific rules and regulations may apply to such programs especially teacher’s retirement plans so legal counsel should be consulted.</p> <p>Employees should be notified of eligibility for unemployment compensation.</p> <p>In the event the School has not paid into the unemployment program on an ongoing basis, the School may have significant financial liability on an ongoing basis after the CHARTER REVOCATION, and reserve funds should be set aside for this purpose.</p> <p>See School Wind-Up Plan and Action regarding payment of taxes, below.</p>				
<p>Notify Authorizer of Any Pending Litigation</p> <p>As soon as possible after receiving notice and/or service of process regarding litigation against, or initiated by, the School, School Board or School employees, notify IQS and provide copies of legal papers received.</p> <p>The School has an ongoing obligation to keep IQS informed regarding such litigation, including bankruptcy, whether voluntary or involuntary, and to provide copies of all filings.</p>	As Soon As Possible	As identified in Action Item 3		
Assets, Creditors and Debtors, UCC Search				
<p>Develop a List of Creditors and Debtors</p> <p>Within twenty (20) days after the charter revocation, formulate list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor.</p> <ul style="list-style-type: none"> • This list is not the same as the contractor list, above, but may include contractors, which should be listed. • Creditors include lenders, mortgage holders, bond holders, equipment suppliers, service providers and secured and unsecured creditors. Security interests may be recorded and filed pursuant to the Uniform Commercial Code (UCC) with the county and State of Minnesota, and may include all of the assets of the School Corporation or specific assets in which a creditor has an interest as long as such debt remains outstanding. <p><input type="checkbox"/> A UCC search should be performed by the School to determine if there are any secured creditors and to what assets security interests are attached.</p> <p><input type="checkbox"/> Debtors include persons who owe the school fees or credits, lessees or sub-lessees of the School, and any person holding property of the School.</p> <p><input type="checkbox"/> Provide a copy of the list of creditors to IQS with the amount owed to each creditor thereon and the amount owed by each debtor.</p>	Within 20 of Board Decision to Dissolve Operations	As identified in Action Item 3		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>Notification to Creditors Within thirty (30) days after the charter revocation, the School must notify all creditors of its closure.</p> <p>A letter should be sent to all known vendors/creditors and a legal notice placed once each week for four successive weeks in a legal newspaper in the county where the registered office of the corporation is located. Potential claimants will have 90 days from date on the notice to submit any claims. The School has 30 days from the receipt of a claim to assess its validity and respond in writing to any claims not deemed valid.</p> <p>Once the 90 day notice period expires, all claims shall be assessed and prioritized for payment in the following order: distribution of assets received and held for a special use or purpose; payment of costs and expenses of the dissolution proceedings, including attorney fees and disbursements; government claims; secured claims; unsecured claims.</p> <p>The School should solicit from each creditor a final accounting of the School's accrued and unpaid debt owed to such creditor. This figure should be compared to the School's calculation of the debt and be reconciled between the parties.</p> <p>To the extent possible, the School should also begin to negotiate a settlement of debts, which is ultimately consummated by a settlement agreement reflecting satisfaction and release of the existing obligations, if possible.</p>				
<p>Notification to Debtors Within thirty (30) days after the charter revocation, the School must contact all debtors and demand payment.</p> <p>To the extent collection efforts are unsuccessful, the School may turn the debt over to commercial debt collection agencies. All records regarding such collection or disputes by debtors regarding amounts owed must be retained.</p>				
<p>School Wind-Up Plan and Action The School Corporation shall collect debts, dispose of assets and negotiate with and pay creditors in an orderly fashion in accordance with a timetable and plan adopted by the School's board of directors. Priority should be given to continuing the School's educational program through the end of the school year and retaining funds to complete the wind-up process.</p> <p>The initial plan should be adopted within 20 days of charter revocation, and be updated at least bi-weekly with copies to IQS. The plan should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Termination of non-essential personnel and cancellation of non-essential services prior to CHARTER REVOCATION. <input type="checkbox"/> Make final federal, state and local tax payments (every employer, including the School, which pays wages to 				

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>employees is responsible for withholding, depositing, paying, and reporting federal, state and local income tax, social security taxes, and federal unemployment tax for such wage payments).</p> <ul style="list-style-type: none"> <input type="checkbox"/> Auction / sale of assets in a manner that avoids conflicts of interest, and maximizes net revenue to the extent permitted by ongoing agreements with existing creditors. (See Liquidation of Assets, below.) <input type="checkbox"/> Liquidation or closing of bank accounts according to a schedule that minimizes fees but leaves the School enough flexibility to pay creditors, attorneys, accountants, etc. during the course of the wind-up, including funds for a final audit, and (if the School Corporation does not submit or the board of directors do not approve a renewal application), for dissolution. Once all assets have been liquidated and distributed, the School must close bank accounts with final balances transferred to Minnesota Dept. of Education. <input type="checkbox"/> Cancellation of corporate credit cards and lines of credit. <input type="checkbox"/> Change authorized signatures on accounts as needed to reflect changes in persons authorized to implement the winding down operations of the School Corporation, and employment, contract and School Board status of those authorized to sign for the School. <input type="checkbox"/> Status reports on the implementation of the School Wind-Up Plan to be submitted to IQS through Interim Statements and a Final Statement (below). 				
Protection of Assets; Insurance				
<p>The School's assets and any assets in the School that belong to others must be protected against theft, misappropriation and deterioration.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Existing insurance coverage should be maintained on the assets until the disposal of such assets. In accordance with the Wind-Up Plan. <input type="checkbox"/> Continue existing insurance for School Facility, vehicles and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer or sale of vehicles and other assets are sold, respectively. <input type="checkbox"/> Negotiate School Facility insurance with entities that may take possession of School Facility – lenders, mortgagors; bond holders, etc., if possible. <input type="checkbox"/> Appropriate security services should be obtained or maintained. <input type="checkbox"/> Action may include moving assets to secure storage after closure or loss of the School Facility. 				
<p>Conduct Thorough Inventory No later than 30 days prior to CHARTER REVOCATION, all of the School's assets must be inventoried with item #'s and quantities and/or its inventory updated.</p> <ul style="list-style-type: none"> <input type="checkbox"/> All assets of the School, not just ones over a certain dollar value must be inventoried. 	Within 30 Days of Decision to Dissolve Operations	As identified in Action Item 3		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<input type="checkbox"/> Provide IQS and legal counsel with a copy of the inventory. <input type="checkbox"/> Separately identify assets purchased with Federal CSP Grant funds and assets purchased from the School's general fund. <input type="checkbox"/> Identify assets belonging to other entities (school district, county, municipality, health department, Authorizing organization, vendors, PTA, etc.), including those borrowed or loaned. <input type="checkbox"/> Identify assets encumbered by the terms of a contingent gift, grant or donation, or a security interest. <input type="checkbox"/> Return assets not belonging to School and document same.				
<p>Liquidate Assets Assets must be liquidated in a commercially reasonable manner including, but not limited to, sale by way of auction, sealed bidding or other commercially reasonable sales methods to the extent permitted under agreements with existing creditors and to the extent such assets are free and clear of any liens or encumbrances. If an asset is subject to a lien, encumbrance or security interest (above), the secured party should be contacted.</p> <ul style="list-style-type: none"> Pursuant to MN Statute 317A.735, no asset may be given away, except as authorized by law. In cases where the cost of disposing of an asset will exceed the cost to be received at sale or auction, it may be permissible to give away or discard such assets. However, this should be cleared from the largest or sole creditor(s) in advance. <p><i>School Board members and their relatives as well as employees and students of the School should not purchase any asset unless the purchase is disclosed to the School Board and the disclosure is made a matter of record in the School Board's minutes and approved by a majority of the non-interested members of the School Board.</i></p>	Within 30 Days of Last Day of Operations	As identified in Action Item 3		
<p>Liquidation of Non-CSP Assets</p> <p>All liabilities and obligations of the School must be paid and discharged (or adequate provision must be made) to the extent of the School's ability to pay. Any assets held subject to a lien, encumbrance, security interest or other written conditions or limitations must be disposed of in accordance with and subject to those conditions or limitations.</p> <p>Non-CSP assets must be liquidated in a commercially reasonable manner including, but not limited to, sale by way of auction, sealed bidding, or other reasonable sales methods (as approved by the authorizer and legal counsel, and to the extent permitted under agreements with existing creditors and to the extent such assets are free and clear of any liens or encumbrances). If an asset is subject to a lien, encumbrance, or security interest (above), the secured party should be contacted.</p> <p>In cases where the cost of disposing of an asset will exceed the cost to be received at sale or auction, it may be permissible to give away or discard such assets. However, this should be cleared from the largest or sole creditor(s) in advance.</p> <p>Non-CSP assets unable to be sold may be given away as follows: 1.) to other charter schools; 2.) if no charter school expresses interest in accepting the asset, then to a 501(c)(3) educational organization; and 3.)</p>				

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>if no 501(c)(3) educational organization expresses interest in accepting the asset, then to any other 501(c)(3) organization. Pursuant to MN Statute 317A.735, no asset may be given away to a for-profit business or individual, except as authorized by law.</p> <p>An itemized receipt must be obtained from each recipient of an asset containing the name, address and telephone number of the recipient. (In case of a later question, audit or review by federal bankruptcy or state supreme court, or other governmental body.)</p>				
<p>Prepare a 'Final' Statement of Dissolution for Authorizer At a date to be determined by IQS, anticipated to be no later than 90 days after CHARTER REVOCATION, no later than 10 days prior to the filing of a dissolution proceeding, the School shall prepare to the full satisfaction of IQS a final statement of the status of all contracts and other obligations of the School Corporation, and all funds owed to the School, audited (or confirmed) by an independent accountant, with supporting evidence showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> all assets and the value and location thereof, whether such asset has been <input type="checkbox"/> distributed to creditors in satisfaction or payment of any existing debt obligation; and <input type="checkbox"/> each remaining creditor and any and all amounts owed to each creditor, including principal and accrued interest through the date of such statement; and <input type="checkbox"/> statement that (a) all debts have been collected, or (b) that good faith efforts have been made to collect same, and <input type="checkbox"/> each remaining debtor of the School or School Corporation and the amounts owed by each debtor, including principal and accrued interest. <input type="checkbox"/> This statement is submitted to IQS in the form in which it will be sworn and submitted to the MN Attorney General and/or MN Secretary of State as part of any dissolution proceeding. <input type="checkbox"/> This statement is in addition to the final Financial Statement Audit (below). 	<p>Within 90 Days of Last Day of Operations</p>	<p>As identified in Action Item 3</p>		
<p>Conduct a Final Audit of All Assets The School must have a financial statement audit performed in accordance with the Charter and the Act no later than November 1st of the calendar year in which the School ceases instruction.</p>	<p>Within 90 Days of Last Day of Operations/ no later than November 1st of the calendar year in which the School ceases instruction</p>	<p>As identified in Action Item 3</p>		
<p>File Final Form 990 Stub The School's accounting firm must file a final Form 990, terminating the entity with the IRS.</p>				

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>Close Out All State and Federal Grants State, federal and other grants must be closed out, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> notification to the grant entity of the School closure; and <input type="checkbox"/> filing of any required expenditure reports or receipts and any required program reports. <p>The School Corporation should continue to pursue grant funds to which it is entitled, provided that it fully discloses its current situation and intentions with respect to closure.</p> <p>The School Corporation should not seek or accept grant funds for future school years when the School will be closed. Grant status should be noted on financial statements. In closing out any federal grant and accounting for any federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations.</p>	Within 30 Days of Last Day of Operations	As identified in Action Item 3		
<p>Maintain All Corporate Records In all cases, the School Board shall maintain all corporate records related to:</p> <ul style="list-style-type: none"> ● Loans, bonds, mortgages and other financing; ● Contracts; ● Leases; ● Assets and asset sales; ● Grants -- records relating to federal grants must be kept in accordance with 34 CFR 8042. ● Governance (Minutes, by-laws, policies); ● Employees (background checks, personnel files); ● Accounting/audit, taxes and tax status, etc; ● Personnel, ● Employee benefit programs and benefits; and ● Student summary test data files ● Any items listed in this Closure Plan. <p>In the event the School Corporation is dissolved, any and all records not previously sent to the school district of the School's location should be sent to that school district.</p>	On-Going	As identified in Action Item 3		
Dissolution / Final Distribution of Assets				
<p>Board Act via Resolution to Dissolve Corporation The School Board must adopt a resolution that the School Corporation be dissolved and proceed to file the same with the MN Attorney General and/or MN Secretary of State.</p>	Within 10 Days of Receiving Final Audit and Confirmation of All Reconciliation of Records	As identified in Action Item 3		

B.9.1 Charter School Closure Process

Required Actions	Timeline	Responsible Party	Completion	
			School	IQS Review
<p>Dissolution The School in consultation with legal counsel shall prepare and file Articles of Dissolution with the MN Secretary of State.</p> <p>If the School Corporation dissolves, the School Board must follow the dissolution provisions in its articles of incorporation and applicable laws. This may include:</p> <ul style="list-style-type: none"> • a complete statement of all assets, their location and an estimate of their value; and • a statement of the ascertainable debts of the education corporation. <p>Whenever the Charter or an order of dissolution is made, the members of the School Board or other custodian of the records of the School have the duty to properly maintain the permanent records of the School according to law and stored in a secure, locked container.</p> <p>Members of the School Board are empowered to continue in office even after the expiration of the Charter and dissolution of the School Corporation for the purpose of winding-up and settling the affairs of the School Corporation, and after the dissolution of the School Corporation.</p> <p><input type="checkbox"/> Copies of all papers related to dissolution should be sent to IQS.</p>				
<p>Final Distribution of Assets All liabilities and obligations of the School must be paid and discharged (or adequate provision must be made therefore) to the extent of the School's assets. Any assets held subject to a lien, encumbrance, security interest or other written conditions or limitations must be disposed of in accordance with and subject to those conditions or limitations.</p> <p>Assets received and held by the School subject to limitations permitting their use only for charitable, benevolent, educational, or similar purposes, but not held upon condition requiring return or with specific disposition instructions, shall be held until dissolution and transferred or conveyed to one or more charter schools in the school district or to the school district.</p> <ul style="list-style-type: none"> <input type="checkbox"/> An itemized receipt must be obtained from each recipient of an asset containing the name, address and telephone number of the recipient. (In case of a later question, audit or review by federal bankruptcy or state supreme court, or other governmental body.) <input type="checkbox"/> In closing out any federal grant and accounting for any federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations. 	Within 10 Days of Resolution to Dissolve Corporation	As identified in Action Item 3		

B.9.1 Charter School Closure Process

Additional Considerations from MDE- In addition to the above list, MDE also provides closure guidance to charter schools. IQS has included some of the more specific guidelines from the MDE below as a means to ensure the school is aware of such requirements. Please refer to the current MDE guidance for more information.

Audit of Pupil Counts

Contact MDE at 651-582-8271 to schedule a student attendance audit as soon as the charter school board votes to close or the authorizer takes final action to not renew or terminate the charter contract. Collect internal information for the audit of pupil counts. Charter schools must hold onto the original documents until the audit is complete.

Once the audit of pupil counts is complete, the records may be transferred per statute.

At a minimum, the records should include:

- o Student rosters
- o Attendance records
- o Student transcripts and student schedules
- o Applications for educational benefits

Special Education Closure Monitoring

MDE Compliance and Assistance will communicate with the charter school director to obtain documentation in order to determine eligibility of expenditures in the most recent fiscal year. Some contracts with outside accounting software vendors are canceled or ended at closure. Closing charters that cannot substantiate expenditures with vendors with all necessary documentation may have to return funds to MDE. Please contact MDE Compliance and Assistance (mde.compliance-assistance@state.mn.us) at 651-582-8689 with questions.

Annual Data Submissions

Whether your charter school closed midyear, or effective the end of the fiscal year, you will be expected to complete the following annual reporting:

Disciplinary Incident Data Reporting (DIRS). Charter school directors must certify reports no later than July 31. More information about completing the data submission can be found on MDE's DIRS webpage.

Restrictive Procedures. Each charter school is required to submit the Use of Restrictive Procedures annual District Summary Data Form on or before July 15 of each year. If you did not use a restrictive procedure, you still must complete the form and report that no physical holds or seclusions occurred during that school year. More information about how to report restrictive procedures can be found on MDE's Restrictive Procedures webpage.

Uniform Financial Accounting and Reporting Standards (UFARS). UFARS data submissions are required for the final year the charter school is operational. Unaudited UFARS data submission is required by September 15 and Audited UFARS data is required by November 30.

Federally-Funded Programs or Grants

Contact MDE's federal programs grant managers for specific instructions that apply to each federally-funded program or grant received by your school.

If your school has received certain federal funds, you must follow property disposition procedures for

B.9.1 Charter School Closure Process

equipment and other items of value purchased with federal funds.

Review each OGAN (Official Grant Award Notification) your school has signed to determine which federal funds you have received. Copies can be obtained by contacting each program's grant manager. Federally-purchased property cannot be sold to pay creditors, and must either be returned to MDE or distributed for similar use to another eligible entity, depending on the type of program under which funds were received. A charter school's board of directors is responsible for ensuring this process is handled properly.

Please contact mde.esea@state.mn.us with questions about federal Title programs funded under the Elementary and Secondary Education Act (ESEA).

Federal Charter Schools Program (CSP) Grant

Equipment, non-consumable supplies and other non-consumable items purchased under the federal CSP grant award are intended for approved purposes identified under the grant. The charter schools will maintain and submit property inventory records of all equipment, assets and non-consumable items purchased with federal CSP grant funds. As part of the school's closure process, all non-consumable items of value purchased with federal CSP grant funds must be distributed to other Minnesota charter schools at the discretion of MDE.

- MDE will work with the closing school's board of directors and the school's authorizer on an individual basis to determine an appropriate redistribution process. There are four options available for disposing of CSP items:
 - Provide the items to other charter schools within the authorizer's portfolio.
 - Make the items available to new charter schools that opened during the current or most recent school year.
 - Consult with all authorizers to see if there are other charter schools that would benefit from the CSP items.
 - Propose another disposition plan.
- Federally-purchased non-consumable items of value may not be sold to pay creditors.
- The school's board of directors is responsible for the disposition of CSP items.
- The proposed disposition plan must be approved by MDE before the CSP items can be disposed of.

Please note: The above guidance applies only to federal CSP grants. Other federally funded programs such as special education and Title I may have different disposition processes for equipment purchased with those federal funds. As applicable, contact other MDE federal program managers for guidance regarding how to handle disposition of their equipment. MDE's Federal CSP Grant Manager will reach out to you to finalize a proposed disposition plan related to the CSP Grant. MDE will give final approval for the disposition of all CSP purchased items.

MDE State Educational Record View and Submission (SERVS) Financial

The school is expected to update users' authorization via the "External User Access Recertification System" for MDE SERVS Financial secure program immediately after the closure notification is sent to MDE. The updated authorization must identify individuals for two roles: one individual assigned to the Approver role and one individual assigned to the Account Register role. The assumption is that these two individuals will fulfill the required duties until the school is officially closed.

B.9.1 Charter School Closure Process

All other individuals who held a role in SERVS Financial will have their access removed at that time.

As a reminder, sharing of user IDs or passwords is prohibited by security policy. All security policies for using the secure program remain in place and security must be maintained at all times. If you have questions, call the SERVS Financial Administrator at 651-582-8500 or email mde.servsfinancial@state.mn.us.

State Aid Payments and UFARS

Minnesota Statutes, section 124E.25, subdivision 1a is specifically applicable to the closure of a charter school:

Notwithstanding subdivision 1 and section 127A.45, for a charter school ceasing operation on or before June 30, for the payment periods occurring after the school ceases serving students, the commissioner shall withhold the estimated state aid owed the school. The charter school board of directors and authorizer must submit to the commissioner a closure plan under [chapter] 317A, and financial information about the school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, and documented lease expenditures from the charter school and monitoring special education expenditures, the commissioner may release cash withheld and may continue regular payments up to the current year payment percentages if further amounts are owed. If, based on audits and monitoring, the school received state aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid overpayment.

(b) For a charter school ceasing operations before or at the end of a school year, notwithstanding section 127A.45, subdivision 3, the commissioner may make preliminary final payments after the school submits the closure plan, an audit of pupil counts, documented lease expenditures, and Uniform Financial Accounting and Reporting Standards (UFARS) financial data and the commissioner monitors special education expenditures for the final year of operation. The commissioner may make the final payment after receiving audited financial statements under section 123B.77, subdivision 3.

(c) Notwithstanding sections 317A.701 to 317A.791, after closing a charter school and satisfying creditors, remaining cash and investment balances shall be returned by the commissioner to the state general fund.

Addendum 5: Contract Renewal Evaluation

School Info

School Information	
School Name	Step Academy
School Address/City/Zip	835 5th St E, St Paul, MN 55106
School Principal/Leader Name	Mustafa Ibrahim
School Leader Title	Director
School Leader Telephone	651-289-6120
School Leader Email	mustafa@stepacademymn.org
School Board Chair	Abdulrazzaq Mursal
School Board Chair Email	abdulrazzaqmursal@stepacademymn.org

Mission and Goals of the School and Program Model Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4
1.a Program Model	Program model is not consistent with that described in charter application including amendments and school has received notice from governing agency noting inconsistency.	Program model is not consistent with that described in charter application including amendments.	Program model is consistent with that described in charter application including amendments.	Program model is consistent with that described in charter application including amendments and school has received accommodation from governing agency noting this accomplishment.	
How determined and comments:	STEP Academy's program model is consistent with the model described in STEP Academy's charter application and amendment. STEP Academy's program model is consistent with the model described in STEP Academy's charter contract, including programming that prepares and supports students in engaging with PSEO. The school has also implemented online instruction on Fridays in accordance to a contract amendment. Unless the school is seeking a change in the focus on their model, the school could continue to grow in their implementation of STEM across all content areas.				3.0
1.b School Mission	School program is aligned with Charter Law to improve all pupil learning and all student achievement.	School program is aligned with the primary purpose of Charter Schools and at least two other purposes cited in law.	School program is aligned with the primary purpose of Charter Schools and at least three other purposes cited in law.	School program is aligned with the primary purpose of Charter Schools and at least four other purposes cited in law.	
How determined and comments:	The school program at STEP is aligned with the primary purpose of Charter Schools, to improve all pupil learning and all student achievement by offering a program combining STEM and core knowledge. The school is also aligned with at least four other provisions cited in law: a) increasing learning opportunities for all pupils, through supporting students in engagement with PSEO; b) encouraging the use of different and innovative teaching methods by fostering partnerships with business, social, civic, and cultural organizations, through which STEP Academy extends urban students' educational experiences into the broader community; c) Measure learning outcomes and create different and innovative forms of measuring outcomes through goals related to college preparation such as applying to and being accepted into college.				3.0
1.c Curriculum	The school curriculum is not implemented with fidelity and is not aligned with the school's mission.	The school curriculum aligns with its mission and primary purpose but is not implemented with fidelity - or the curriculum is not aligned with the school mission but is implemented with fidelity.	The school curriculum aligns with its mission and primary program purpose and is implemented with fidelity.	The school curriculum aligns with its mission and primary program purpose in all curricular areas and is implemented with fidelity. The school has developed systems for analyzing curriculum effectiveness and making improvements accordingly.	
How determined and comments:	The school curriculum aligns with its mission and primary program purpose in all curricular areas and is implemented with fidelity. The school has developed systems for analyzing curriculum effectiveness and making improvements accordingly. STEP consistently addresses areas where improvement is needed by collecting data and trying new, nationally recognized curriculum.				4.0
1.d Standards	The school follows a curriculum resource and operates under the assumption that the resource is aligned with state standards.	State standards and school standards are embedded into the curriculum of the school.	State standards, school board standards, and authorizer requirements are embedded into the curriculum of the school and documented in curriculum development documents.	All state standards, school board standards, and authorizer requirements are embedded into the curriculum of the school, as documented in curriculum development documents. Individual student achievement on standards is assessed and used to inform instruction.	
How determined and comments:	State standards, school board standards, and authorizer requirements are embedded into the curriculum of the school and documented in curriculum development documents. Additionally, in FY24 Professional Development sessions were being used to create new curriculum maps.				3.5
1.e Staff Development	Some staff development activities or initiatives evident but no evidence alignment with school improvement or strategic planning.	Staff development activities and/or initiatives have been implemented but not systemic or purposefully aligned with a strategic plan.	Staff development is ongoing, aligned with strategic plan, and ensures program fidelity.	Staff development is fact-based, on-going, and aligned with a strategic plan. Staff development is reviewed by school board and school leadership on a quarterly basis to ensure program fidelity and reported to all stakeholders.	
	Staff development activities and/or initiatives have been implemented but not systemic or purposefully aligned with a strategic plan.				

Mission and Goals of the School and Program Model Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4
How determined and comments:	STEP offers monthly trainings and also has staff members going into classrooms to provide feedback with additional coaching opportunities. All staff have weekly meetings with cooperating teachers to provide dedicated, on-going time to analyze data and plan for curriculum needs. Additionally, in FY24 Professional Development sessions were being used to create new curriculum maps. However, given the feedback on staff surveys that identifies professional development as an area for improvement, it would be helpful for STEP to learn more about what might best support both individual teachers and the collective school community.				2.5
1.f Hybrid Learning Program	The School implements a hybrid learning program more than one day per week or the program does not align with the stated descriptions, does not include dynamic interactions between students and educators, or does not integrate the National Standards for Quality Online Learning.	The school implements a hybrid learning program no more than one day per week. The program aligns with the stated descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, but does not integrate the National Standards for Quality Online Learning.	The school implements a hybrid learning program no more than one day per week. The program aligns with the state descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, and integrates the National Standards for Quality Online Learning.	The school implements a hybrid learning program no more than one day per week. The program aligns with the stated descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, and integrates the National Standards for Quality Online Learning. The program has received accommodation from governing agency noting this accomplishment.	
How determined and comments:	The school implements a hybrid learning program no more than one day per week. The program aligns with the state descriptions, adheres to all statutory or other required areas of compliance, includes dynamic interactions between students and educators, and integrates the National Standards for Quality Online Learning. The online Fridays is going well. All classes hold LIVE Google lessons (synchronous). Student engagement has been high. For example, teaching classes like gym online. The gym teacher has been using the online days to explain rules and go over lessons that would typically take place in the classroom. This has helped maximize the time in the gym for active learning.				3.0
1.g Hybrid Learning Program Family Satisfaction	Less than 75% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	At least 75% but less than 85% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	At least 85% but less than 90% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	At least 90% of parents report being satisfied or very satisfied with the learning opportunities that their child(ren) receives during online instruction.	
How determined and comments:	The school has not implemented a survey to gather feedback at the time of this evaluation.				No data yet
New Student Enrollment	School does not have in place processes for determining a student's academic levels of performance when they enter school.	School is developing a process for determining a student's academic levels of performance when they enter school.	Student academic achievement levels in math and reading are evaluated for each student within 3 weeks of entering school.	The school uses its evaluation process to develop an individual learning plan designed to assist teacher, parents, and student with academic growth and success.	
How determined and comments:	Student academic achievement levels in math and reading are evaluated for each student within 3 weeks of entering school. The school uses the Fastbridge assessment within the first week of a new enrollment. Results are used to develop ILPs and for class placement. The school has consistently had a strong intake process for new students.				4.0
Parent Satisfaction	Parents' level of satisfaction with their school in the areas of safety, acceptance and learning is less than 50%.	Parents' level of satisfaction with their school in the areas of safety, acceptance and learning is greater than or equal to 50% but less than 85%.	Parents' level of satisfaction with their school in the areas of safety, acceptance and learning is greater than or equal to 85% but less than 90%.	Parents' level of satisfaction with their school in the areas of safety, acceptance and learning is greater than or equal to 90%.	
How determined and comments:	Parents' level of satisfaction with their school in the areas of safety, acceptance and learning is greater than or equal to 90%. While this measure is not included in the amended contract, it was in the first years of the contracted term. The school has received extremely positive feedback in all areas, consistently receiving 95-100% of parents expressing satisfaction.				4.0
Teacher Satisfaction	Teachers' level of satisfaction with the school and with their professional roles, responsibilities and professional development is less than 50%.	Teachers' level of satisfaction with the school and with their professional roles, responsibilities and professional development is greater than or equal to 50% but less than 85%.	Teachers' level of satisfaction with the school and with their professional roles, responsibilities and professional development is greater than or equal to 85% but less than 90%.	Teachers' level of satisfaction with the school and with their professional roles, responsibilities and professional development is greater than or equal to 90%.	
How determined and	Teachers' level of satisfaction with the school and with their professional roles, responsibilities and professional development is greater than or equal to 50% but less than 85%.				

Mission

Mission and Goals of the School and Program Model Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points now determined and comments:	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4 2.5
Average					3.3

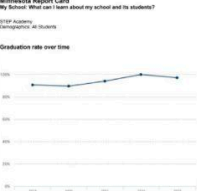
Governance of the School Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
2.a Board Organization	School has received multiple notices from a governing agency (state and/or authorizer) within the past 12 months indicating board organization inconsistencies with the law.	School has received a notice from a governing agency within the past 12 months indicating board organization inconsistencies with the law.	The board organization complies with the requirements in the charter school law.	Board organization exceeds legal expectations serving as a model for all Public Schools.	
How determined and comments:	The board organization has failed to comply with the requirements in the charter school law. The board is comprised of 5 members and includes at least one teacher, one community member, and one parent. There is room for improvement on this measure. For example, in FY23, the Board did not conduct an election according to statutory timelines and the process articulated in the school's bylaws. Additionally, for a period of time, the Board failed to have a Treasurer officer in place, a requirement of statute and the bylaws. During FY24, an ineligible member served on the board for a majority of the year. The board has been on probation since March 30, 2023 and has not completed all corrective actions.				2.0
2.b Background Checks	Criminal background checks have not been conducted on any current board members in accordance to Section 4.1 of the contract with IQS.	Criminal background checks have been conducted on some of the board members in accordance to Section 4.1 of the contract with IQS.	Criminal background checks have been conducted on each board member in accordance to Section 4.1 of the contract with IQS.	Criminal background checks have been conducted on each board member and reviewed by the School Director annually.	
How determined and comments:	Criminal background checks have been conducted on each board member in accordance to Section 4.1 of the contract with IQS.				3.0
2.c Conflict of Interest	School has received multiple notices from a governing agency (state and/or authorizer) within the past 12 months indicating board organization inconsistencies with the law.	School has received a notice from a governing agency within the past 12 months indicating board organization inconsistencies with the law.	No board members have any conflict of interest as defined in law and statements are filed annually.	No board members have any conflict of interest as defined in law. Signed statements are filed annually and confirmed at each Board meeting.	
How determined and comments:	No board members have any conflict of interest as defined in law and statements are filed annually. Policy 218 addresses conflict of interest and is posted on the website under school policies. Conflict of Interest has been added as a member affirmative point to each board agenda.				4.0
2.d Minnesota Open Meeting Law	The authorizer and/or MDE have received multiple complaints from stakeholders related to a violation of the Minnesota Open Meeting law and has failed to address them.	The authorizer has received at least one complaint from school stakeholders but has successfully addressed the matter.	The Board complies with all provisions of the Minnesota Open Meeting Law and have not received any complaints from school stakeholders in the past 12 months.	The Board complies with all provisions of the Minnesota Open Meeting Law and have not received any complaints from school stakeholders in the past two years.	
How determined and comments:	The Board has not fully complied with all provisions of the Minnesota Open Meeting Law. While no complaints are noted from MDE, IQS cadre have expressed concerns about the violations of Open Meeting Law with regard to virtual meetings and the accuracy of minutes. Additionally, the doors to the building are sometimes locked for meetings and while others may come to let members of the public in, it is important to ensure that all members of the public are welcomed and can easily access the board's meetings.				2.5
2.e Board By-Laws	Board bylaws are not in place.	The Board has been cited for bylaw violation at least once in the past year.	The Board bylaws are consistent with charter school law and outline the process/procedures for changing the board's governance structure. The Board has not been cited for bylaw violation in the past year.	The bylaws are considered to be a model for charter schools organization.	
How determined and comments:	The bylaws are posted on the website but do not appear to have been reviewed and/or revised for many years. While the process for changing the board's structure is included in the bylaws, the actual structure of the board is not declared beyond that the board will not be a teacher-majority board. There are also some conflicting timelines and activities from the board that should be considered for revisions. Additionally, the board election during one year of the contract did not adhere to the criteria in the bylaws. IQS strongly encourages the school to revise its bylaws and notes that per the charter contract, proposed revisions must be submitted to IQS for review and approval prior to school board approval.				2.5
2.f Policy Manual	Board policies are in place but do not meet all of the criteria required in Minnesota Statute 124E.07.	Board policies have been established in accordance to Minnesota Statute 124E.07. The school has failed to post them on its website and does not have a process in place for periodic review.	Board policies have been established in accordance with Minnesota Statute 124E.07. All policies are posted on the school website. The Board has established a process for the regular review of its policies.	Board policies have been established in accordance with Minnesota Statute 124E.07. All policies are posted on the school website. The Board has established a regular review of policies and annual training in accordance to Charter School law.	

Governance of the School Performance Indicators:	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
How determined and comments:	Board policies have been established in accordance to Minnesota Statute 124E.07. While the Board has reviewed policies at meetings, there does not appear to be a process in place for periodic review. The Board has policies established, but has not followed all policies. The procurement policy is an example of this, as noted in the school's formal disciplinary notices. Additionally, when issues arise, it would be helpful to school community for the board to consider if there are new policies or revisions to existing policies that should be considered, such as employee evaluation policies and practices.				2.0
2.g Strategic Plan	There is no strategic plan in place.	A strategic plan is in place but has no measurable performance goals.	The board has in place a strategic plan that includes its vision, and goals developed to reach its mission.	The strategic plan includes a set of action plans and qualitative measurements to support the attainment of its goals.	
How determined and comments:	A strategic plan is in place but has no measurable performance goals. In the past, the school created a Strategic plan and it was posted on the website. The plan was brief and included on page outlining three focus areas: student achievement, student support, and parent and community engagement. Each area had an overarching goal, but not necessarily specific and the plan did not articulate how the school would attempt to achieve the goals/objectives stated. The Board involvement with and monitoring of the progress being made on the strategic plan is unclear. It does appear that the school priorities have shifted recently and while inline with the mission and vision of the school, a new and more comprehensive plan could support the school in implementing corrective actions related to the current probationary status.				2.0
2.h Board Meeting Conduct	Board meetings are not consistently conducted in compliance with MN statute.	Board meetings meet the requirements of MN Open Meeting and follow some aspects of Robert's Rules of Order.	Board meetings are conducted in an orderly process following an agenda, appropriate posting in compliance with MN statute.	Board meetings follow Robert's Rules of Order with all board members and school leadership embracing this process.	
How determined and comments:	The board meetings are generally conducted in an orderly process following an agenda. The Board is encouraged to engage in more discussion and oversight of responsibilities that fall under the board's purview. In regards to not meeting all expectations, some members of the IQS Cadre Team who have requested copies of all Board meeting notices and packets have not consistently been provided such information as required by Open Meeting Law. Additionally, the minutes of the Board could be improved to better capture the Board's work. For example, a public comment made by IQS was not included in the public comment notes in the minutes. There also seems to be some confusion about responsibilities such as taking the minutes at a board meeting. IQS would also like to note that the contracted finance manager appears to only phone into meetings, which is not conducive to discussion about the school's financials.				2.5
2.i Board Training	Some or all board members have not completed board training as outlined in MN 124E.07 Subd. 7.	Board conducts annual training but has not established a development plan.	Board has a development plan including annual training for members and initial training for new members. Board training is included in the annual report in compliance with MN 124E.07 Subd. 7.	Board development plan and training practices are replicated by other organizations.	
How determined and comments:	While members of the Board may have completed annual training, there does not appear to be an established development plan. A board training calendar for the year has been requested of the charter school director, but has not been shared yet. It is noted that a training schedule can be organic in nature in some ways and come to fruition through board meeting and special meetings, but at least the three required areas should have a month for some discussion and training opportunities by October. Basic board meeting procedures would be a great start for this board, taking and approving minutes, making motions, creating agendas, and voting mechanics could be added to the training schedule for review and growth opportunities. In the past, some or all board members have attended training sponsored by IQS, which is a helpful one-day opportunity, but given the school's probationary status, increased and intensive board development should be implemented. The FY23 Annual Report has not been posted to the school's website.				2.0
2.j Board Expertise and Retention	The Board has failed to maintain the required minimum membership as required by law or has experienced more than a 50% turnover in the past year.	The board has experienced a significant turnover in the past two years.	The Board is comprised of members consistent with its bylaws and Minnesota Charter School Law and has maintained consistent membership.	The Board is comprised of members consistent with its by-laws and Minnesota Charter School Law. It has maintained institutional knowledge through the retention of Board members over multiple years.	
How determined and comments:	The board has a history of longevity with a board chair who has been on the board for five years and has plans to continue as a board member for some time into the future. Other board members report being on the board between one year and three years. The two instances of significant corrective actions over the term of the contract, which include a lack of appropriate oversight from the board, are a signal that the Board may need to increase expertise and implement a strong board development plan. It is also noted that during FY24, one board member was serving but was ineligible to do so.				2.0
				Average	2.5

Evaluation of School /Student Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
3.a Reading Growth	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aReading test will not increase from Fall to Spring annually.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aReading test will increase by 1-4% from Fall to Spring annually.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aReading test will increase by 5-8% from Fall to Spring annually.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aReading test will increase by greater than 8% from Fall to Spring annually.	
How determined and comments:	Data for this measure, as well as many others in this category, were impacted by the Covid-19 pandemic, resulting in fewer years of available student learning data. The school has two years of data for this goal, the first demonstrating a three percentage point increase from fall to spring and the second year had a five percentage increase. For this reason, the school is earning a 2.5 on this measure.				2.5
3.b Math Growth	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aMath test will not increase from Fall to Spring annually.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aMath test will increase by 1-4% from Fall to Spring annually.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aMath test will increase by 5-8% from Fall to Spring annually.	The percent of students in grades 1-3 scoring in the green (30-84.99 percentile) on the FastBridge aMath test will increase by greater than 8% from Fall to Spring annually.	
How determined and comments:	The school has provided multiple data points related to math growth. The goal, as written, does not include the students at or above the 85th percentile, while the intent may have been to mirror the language from measure 3.a Reading Growth. If looking at just the percent of students in the 'green' as stated in the goal, then the percent went down from fall to spring. However, if we include those in the 'blue' (85th percentile and above), then there was a four percentage point gain, which would be progressing. The school also provided other data from FAST (and NWEA MAP prior). In the two years of available FAST data, 29% of students in FY21 and 55% in FY22 made their annual math growth goal. MAP data from FY20 shows a modest increase in performance from fall to spring. Because of these data points, the school is being rated at the progressing benchmark.				2.5
3.c MCA Reading Proficiency (Grades 3-8 only)	Each grade level in grades 4-6 will not increase from the cohort MCA proficient percentage from previous year proficient rate.	Each grade level in grades 4-6 will increase the cohort MCA proficient percentage by 1-4% from previous year proficient rate.	Each grade level in grades 4-6 will increase the cohort MCA proficient percentage by 5-8% from previous year proficient rate.	Each grade level in grades 4-6 will increase the cohort MCA proficient percentage by greater than 8% from previous year proficient rate.	
How determined and comments:	The only MCA data that can be compared via cohort from one year to the next is 2022 to 2023 data. While it may be difficult to view, the graphics below (with a link in the cell below the graphs), show MCA Reading performance of 4th grade on the left, 5th grade in the middle, and 6th grade on the right. The proficiency of 2022 4th grade students was 40.5%, which as 5th graders, the same cohort went up slightly to 42.0% proficient. 5th grade students in 2022 has a proficiency rate of 53.8%, which went down to 48.9% when the students were in 6th grade. When comparing the same grade level year over year, the proficiency rates for both 4th and 5th grade went down while 6th grade had a three percentage point increase. While limited in data, each grade did not increase from the previous year, though the results vary. The school's performance is being rated at the progressing benchmark.				2.0
	<p>Click here to view the above graphics</p>				
3.d MCA Math Proficiency (Grades 3-8 only)	Each grade level in grades 4-6 will not increase from the cohort MCA proficient percentage from previous year proficient rate.	Each grade level in grades 4-6 will increase the cohort MCA proficient percentage by 1-4% from previous year proficient rate.	Each grade level in grades 4-6 will increase the cohort MCA proficient percentage by 5-8% from previous year proficient rate.	Each grade level in grades 4-6 will increase the cohort MCA proficient percentage by greater than 8% from previous year proficient rate.	
How determined and comments:	The only MCA data that can be compared via cohort from one year to the next is 2022 to 2023 data. While it may be difficult to view, the graphics below (with a link in the cell below the graphs), show MCA Math performance of 4th grade on the left, 5th grade in the middle, and 6th grade on the right. The proficiency of 2022 4th grade students was 14.6%, which as 5th graders, the same cohort went down slightly to 14.0% proficient. 5th grade students in 2022 has a proficiency rate of 10.3%, which went down to 6.4% when the students were in 6th grade. When comparing the same grade level year over year, the proficiency rates for both 4th and 5th grade went up while 6th grade remained the same. While limited in data, each grade did not increase from the previous year, though the results vary, but remain low. The school's performance is being rated at the intervention benchmark.				

Evaluation of School /Student Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
How determined and comments:	<p>Click here to view the above graphics</p>				1.5
3.e Equity in Achievement	Grade six through twelve Special Education students' class failure rate will be more than 10% higher than general education peers.	Grade six through twelve Special Education students' class failure rate will be 1-10% higher than general education peers.	Grade six through twelve Special Education students' class failure rate will be the same as general education peers.	Grade six through twelve Special Education students' class failure rate will be lower than general education peers.	
How determined and comments:	Grade six through twelve Special Education students' class failure rate will be lower than general education peers. There is only one year of available data for this goal. For FY 2023, Students receiving special education have a class failure rate 16% lower than their general education peers.				4.0
3.f Reading Well by Third Grade - K goal	Fewer than 54% of students in grades K-3 will be at their grade benchmark level on the Benchmark Reading Assessment (BAS) by the spring of the year.	54-64% of students in grades K-3 will be at their grade benchmark level on the Benchmark Reading Assessment (BAS) by the spring of the year.	65-89% of students in grades K-3 will be at their grade benchmark level on the Benchmark Reading Assessment (BAS) by the spring of the year.	90-100% of students in grades K-3 will be at their grade benchmark level on the Benchmark Reading Assessment (BAS) by the spring of the year.	
How determined and comments:	<p>The school has shared various data points related to the literacy performance of students, both in K-3 and all elementary grades, but did not provide the exact data that reflects the language of this goal. In FY21, students were assessed using Fountas & Pinnell Benchmarking and in K-5 and 61% made growth of a year or more. However, that is focused on growth and doesn't show the percent meeting grade level expectations. In FY22, the school used FAST and did not meet their goal. An additional data point that can reflect literacy performance in the early grades is the third grade MCA scores, which are included in the graphic below and show that during the term of the contract, 60% or more of third grade students did not meet the grade level expectations. Because of the data outlined above and the significant population of students who are not meeting grade level expectations on the MCA, the school is in the intervention benchmark.</p>				1.5
3.g 21st Century Skills: Information Literacy	Fewer than 70% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	70-74% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	75-80% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	81-100% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.	

Performance

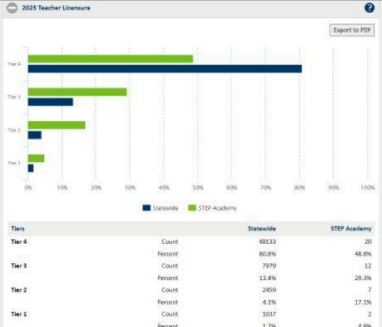
Evaluation of School /Student Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field																							
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0																							
How determined and comments:	81-100% of students in ninth and tenth grades will pass the STEP Academy Information Literacy Assessment with a score of 80% or better.				4.0																							
	There has been some confusion at the school regarding which students should take this assessment. That has resulted in only ninth grade students participating, of whom 83% passed with a score of 80% or better.																											
3.h Graduation Rate	The graduation rate is lower than 75%. Excluding students who have documented a move out of the country.	The graduation rate is between 75-82%. Excluding students who have documented a move out of the country.	The graduation rate is between 83-89%. Excluding students who have documented a move out of the country. (The state average in 2020 was 83.8%.)	The graduation rate is 90% or above. Excluding students who have documented a move out of the country.	4.0																							
How determined and comments:	The graduation rate is 90% or above. Excluding students who have documented a move out of the country.																											
	 <table border="1" data-bbox="836 619 1356 808"> <thead> <tr> <th>Demographic</th> <th>Year</th> <th>Graduated count</th> <th>Graduated %</th> </tr> </thead> <tbody> <tr> <td>All students</td> <td>2019</td> <td>39</td> <td>90.7%</td> </tr> <tr> <td>All students</td> <td>2020</td> <td>43</td> <td>89.6%</td> </tr> <tr> <td>All students</td> <td>2021</td> <td>48</td> <td>94.1%</td> </tr> <tr> <td>All students</td> <td>2022</td> <td>57</td> <td>100.0%</td> </tr> <tr> <td>All students</td> <td>2023</td> <td>67</td> <td>97.1%</td> </tr> </tbody> </table>				Demographic	Year	Graduated count	Graduated %	All students	2019	39	90.7%	All students	2020	43	89.6%	All students	2021	48	94.1%	All students	2022	57	100.0%	All students	2023	67	97.1%
Demographic	Year	Graduated count	Graduated %																									
All students	2019	39	90.7%																									
All students	2020	43	89.6%																									
All students	2021	48	94.1%																									
All students	2022	57	100.0%																									
All students	2023	67	97.1%																									
	STEP was a High Quality Charter School designee in FY24 and one of the criteria is the school's graduation rate.																											
3.i College and Career Readiness	The percent of juniors and seniors participating in the PSEO program is below 10% (state average).	The percent of juniors and seniors participating in the PSEO program is at least 10% but is less than 30%.	The percent of juniors and seniors participating in the PSEO program is at least 30% but is less than 40%.	The percent of juniors and seniors participating in the PSEO program meets or exceeds 40%.	4.0																							
How determined and comments:	The percent of juniors and seniors participating in the PSEO program meets or exceeds 40%. Participation in the PSEO program is a big part of the STEP Academy culture. Each year during the term of the contract with available data, the school had more than 40% of juniors and seniors participating and earning college credit through the PSEO program, most often, the percentage supporting this goal was more than 50% of juniors and seniors.																											
3.j Consistent Attendance	Based on the average of the contract years (2022-23 & 23-24) the school's consistent attendance rate is lower than 55%.	Based on the average of the contract years (2022-23 & 23-24) the school's consistent attendance rate is at least 55%, but less than 75%.	Based on the average of the contract years (2022-23 & 23-24) the school's consistent attendance rate is at least 75%, but less than 90%.	Based on the average of the contract years (2022-23 & 23-24) the school's consistent attendance rate is greater than or equal to 90%.	3.5																							
How determined and comments:	Based on the average of the contract years (2022-23 & 23-24) the school's consistent attendance rate is at least 75%, but less than 90%. This data has significant delays in public reporting. Thus, being considered are the rates that were publicly released during the contracted years: 83.9% (FY22), 91.5% (FY21), 90% (FY20). FY23 consistent attendance will not be released until the fall of 2024.																											
3.k Social Emotional Learning	50% or less of secondary students can identify at least one staff member they trust based on school advisory survey given three times per year.	51-74% of secondary students can identify at least one staff member they trust based on school advisory survey given three times per year.	75% to 89% of secondary students can identify at least one staff member they trust based on school advisory survey given three times per year.	90% or more of secondary students can identify at least one staff member they trust based on school advisory survey given three times per year.	2.5																							
How determined and comments:	51-74% of secondary students can identify at least one staff member they trust based on school advisory survey given three times per year. Available data shows room for growth in this measure, with only 67.2% of students reporting that they could identify at least one staff member they trust based on survey results. The administration team is discussing how to foster these important relationships between students and staff.																											
3.l Behavior	STEP Academy scored 60% or less on the PBIS Tiered Fidelity Assessment.	STEP Academy scored 61% to 70% on the PBIS Tiered Fidelity Assessment.	STEP Academy scored between 71% and 80% on the PBIS Tiered Fidelity Assessment.	STEP Academy scored greater than 80% on the PBIS Tiered Fidelity Assessment.	4.0																							
How determined and comments:	STEP Academy scored greater than 80% on the PBIS Tiered Fidelity Assessment. Though FY24 data has not yet been shared, this goal, which is newer to the school, exceeded the target benchmark with a score of 93.3% on the PBIS Fidelity Assessment																											
	Average				3.0																							

Finance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field																								
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0																								
4.a Budget Approval	The Board fails to set a budget for the fiscal school year.	The preliminary school budget is approved by the Board after July 1st.	The school budget is approved before July 1 and revised and approved by the Board by at least once during the fiscal year.	The school has reached the target benchmark and receives recognition for its fiscal management by the MDE.																									
How determined and comments:	For the last two years, the school budget was approved by the board before July 1, but it was not revised until May, which at that time is not necessary or helpful, except potentially for the audit. Over the course of the contract term, the school has met the criteria for recognition by the MDE.				4.0																								
4.b School Finance Management	The school does internally manage or contract with an organization who is responsible for the financial management of the school. The school has many outstanding bills/payments.	School finances are managed internally or by a finance management company. Bills have not been consistently paid within 30 days.	School finances are managed internally or by a contracted financial manager. All bills are paid within 30 days.	School finances are managed internally or by a contracted financial manager. All bills are paid within 30 days. The school receives recognition for its fiscal management by the MDE.																									
How determined and comments:	School finances are managed internally or by a finance management company. Bills have not been consistently paid within 30 days. The school is using Designs for Learning to manage all school financials, technology, and HR. Also, the school uses software called SMART to internally manage financial matters. The school's financial crisis in FY23, impacted FY23 and FY24 with cash flow concerns and the school's ability to pay bills on time. IQS has been copied on multiple communications to the school about late payments. Despite this, the school has received recognition for its fiscal management by the MDE. The board has been on probation since March 30, 2023 and has not completed all corrective actions.				2.0																								
4.c School Fund Balance	The school has no fund balance and is considered to be in Statutory Operating Debt (SOD).	The school's fund balance is less than 10% of operating expenditures.	The school has maintained a fund balance between 10% and 15%.	The school has maintained a fund balance in excess of 15%.																									
How determined and comments:	<p>The school's fund balance is less than 10% of operating expenditures.</p> <p>While the school has a fund balance policy posted on the school's website, over the contract term, the school's fund balance has fluctuated from healthy (over 30%) to nearly nothing. The expenditures on the building renovations, which depleted the fund balance, have resulted in the school needing to make changes to live within their means and attempt to build back a fund balance. The fund balance history is shown below.</p> <div style="text-align: center;"> <h3>General Fund Balances</h3> <p><i>Fund balance policy minimum 20% of expenditures</i></p> <table border="1"> <caption>General Fund Balance Data</caption> <thead> <tr> <th>Year</th> <th>General Fund Balance</th> <th>General Fund Expenditures</th> <th>Minimum Fund Balance</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>19.86%</td> <td>\$5,836,884</td> <td>20.00%</td> </tr> <tr> <td>2020</td> <td>29.42%</td> <td>\$7,216,908</td> <td>20.00%</td> </tr> <tr> <td>2021</td> <td>33.76%</td> <td>\$7,996,045</td> <td>20.00%</td> </tr> <tr> <td>2022</td> <td>29.41%</td> <td>\$9,336,494</td> <td>20.00%</td> </tr> <tr> <td>2023</td> <td>0.29%</td> <td>\$16,713,804</td> <td>20.00%</td> </tr> </tbody> </table> </div> <p>The school and board has been on probation since March 30, 2023 and has not completed all corrective actions.</p>				Year	General Fund Balance	General Fund Expenditures	Minimum Fund Balance	2019	19.86%	\$5,836,884	20.00%	2020	29.42%	\$7,216,908	20.00%	2021	33.76%	\$7,996,045	20.00%	2022	29.41%	\$9,336,494	20.00%	2023	0.29%	\$16,713,804	20.00%	2.5
Year	General Fund Balance	General Fund Expenditures	Minimum Fund Balance																										
2019	19.86%	\$5,836,884	20.00%																										
2020	29.42%	\$7,216,908	20.00%																										
2021	33.76%	\$7,996,045	20.00%																										
2022	29.41%	\$9,336,494	20.00%																										
2023	0.29%	\$16,713,804	20.00%																										
4.d State Financial Reports	Mandatory financial reports have not been filed on in a timely manner on more than one occasion.	Mandatory financial reports have not been filed on in a timely manner at least once during the contract period.	State finance reports are filed appropriately and on time.	School leadership has established and utilizes proactive processes to complete and submit mandated state and authorizer financial reports.																									
How determined	Mandatory financial reports have not been filed on in a timely manner at least once during the contract period.																												

Finance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points now determined and comments:	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0 2.5
	FY21,the school was able to file the state finance reports appropriately and on time, however in FY22 the school failed to submit the state finance reports on time. In FY23 and FY24 lease aid appears to have been delayed, contributing to the cash flow concerns.				
4.e Payroll Management	The school has received more than one notice of failure to properly submit payroll taxes in a timely manner.	The school has receive a notice of failure to properly submit payroll taxes in a timely manner.	All state/Federal taxes, pensions, insurance, etc. are paid in a timely manner and as required.	The school has not received a complaint from an employee related to the timely remuneration of compensation and/or notice from the state for delinquency in the payment state/federal payroll taxes.	
How determined and comments:	The school has received more than one notice of failure to properly submit payroll taxes in a timely manner. The school paid all state/ federal taxes and payroll on time in some of the contracted years. In FY23 and due to financial complications, the school was behind in paying taxes and payroll for one month but adjusted in the months that followed. There have been no complains about payments until now. In May of 2024, IQS received a notification from the Teacher Retirement Association that STEP was late on their payroll obligations to TRA.				2.0
4.f School Budget Review	A regular schedule for monitoring school budget has not been established.	The school budget is monitored by the board less than four (4) times annually.	The Board is provided budget information at its regular meetings. The Board approves all payment of bills at its regular meetings.	The Board has in place a treasurer and/or finance committee that reviews all expenditures prior to final Board approval. A process is in place to ensure redundancy in the review of the expenditure process.	
How determined and comments:	While the Board is provided budget information at its regular meetings, its review was not able to prevent decreases in the fund balance such that the school does not have enough cash flow to pay monthly bills. Over the course of the contract, while the school has the necessary components to review the budget, this has not come together as such. For example, the board appointed a member to be the treasurer, but had failed to have this position filled previously. Additionally, while the school did obtain a second site, the failure of school leadership and the board to understand the impact of that facility and subsequent renovations resulted in depleting the fund balance. In response to being put on probation and as part of the corrective action, the school is working to ensure that there is a treasurer in the board as well as a finance committee (board chair and treasurer) who prepare all the finances in arranging with Designs for Learning. The school community would benefit from appropriate financial oversight, which would require additional dialogue and engagement on the part of the board members.				2.5
4.g School Audit	The annual audit was not completed.	The audit report filed with MDE identifies one or more internal control findings. The School must submit a written report to the commissioner how these findings will be resolved.	The School audit information is filed as scheduled with the MDE, the audit is completed on time and the audit does not identify any internal control findings.	The school has filed two consecutive audits with the MDE that do not contain any internal control findings.	
How determined and comments:	Over the course of the contract, the school failed to meet the target benchmark language, "The School audit information is filed as scheduled with the MDE, the audit is completed on time and the audit does not identify any internal control findings," given that the FY22 audit was not completed on time. While the FY23 audit did not have findings, the auditors listed a number of recommendations, many which align with the corrective actions and reflect concerns shared by IQS.				2.5
4.h Budget Planning	There is no evidence of a long-range budget expenditure plan.	A long-range budget expenditure plan is in place but has not been updated on a yearly basis.	A long-range budget expenditure plan is in place and is updated annually.	A long-range budget expenditure plan is in place and is updated twice yearly.	
How determined and comments:	There is no evidence of a long-range budget expenditure plan. As a note, if the school had a long-range budget and the board was providing proper oversight of the annual and long-range budgets, STEP should have been able to maintain a sufficient fund balance to do larger activities such as purchase a building via an Affiliated Building Corporation, move or improve facilities, etc. However, by failing to meet these benchmarks, the expansion to a second site and significant construction projects, depleted the entire school fund balance, which was above 20% and is expected to be less than 1% at the end of FY23.				1.0
4.i Budget Priorities	There is no long range plan for appropriating resources that reflect mission, vision priorities.	A plan is in place that outlines budget parameters in support of school priorities, but has not been approved by the Board.	The patterns of expenditures are consistent with the mission, program, and goals of the school.	A plan for aligning budgeting practices with mission/vision is in place and reviewed by the board annually.	
How determined	While generally, the patterns of expenditures are consistent with the mission, program, and goals of the school, the school has failed to meet the target benchmark language in each year of the contract. Based on the FY23-24 budget, the school expenditures are consistent with the mission, vision and school goals.				

Finance

Finance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
Points now determined and comments:	On the other hand, IQS has received multiple complaints related to the school's budget cuts that have been made or are planned to be made in the coming year due to the school's current financial crisis. The lack of oversight of the board and competent leadership has resulted in the school depleting their entire fund balance during FY23. The school is shifting to having one day of school virtually during FY24 with the primary reason to reduce expenditures.				2.5
				Average	2.4

Operations of the School Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field																																				
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0																																				
5.a Staff Qualifications	There is no evidence that any school employee required qualifications, licensure, and/or criminal background checks are compliant as required.	There is evidence that school employees' required qualifications, licensure, and/or criminal background checks have not been completed or submitted as required.	All school employees' qualifications, licensure, and criminal background checks are in compliance with state, federal and authorizer requirements.	School has onboarding processes and procedures that ensure employee qualifications, licensure, and criminal background checks have been completed and submitted as required.																																					
How determined and comments:	<p>There is evidence that school employees' required qualifications, licensure, and/or criminal background checks have not been completed or submitted as required.</p> <p>While the school employees' criminal background are aligned with state federal requirements, licensure has not consistently been compliant and the school has received STAR violations during multiple years of the contracted period. Additionally, the repeated use of short-call substitutes in place of a licensed teacher, is not appropriate per PELSB and constitutes a license violation.</p>				2.0																																				
5.b Staff Assignments	More than 10% of teaching staff are operating with Tier 1 or repeated use of Out-of-Field permissions from the PELSB.	Staff assignments align with areas of licensure. Less than 10% of teaching staff are operating with Tier 1 or repeated use of Out-of-Field permissions from the PELSB.	Staff assignments align with areas of licensure. At least 80% of teachers have a Tier 3 or Tier 4 license and/or the school has a professional development plan to support teachers in attaining full licensure and/or the school has a plan for attaining a fully licensed teacher the following year.	Staff assignments align with areas of licensure. All teachers have a Tier 3 or Tier 4 license and/or the school has a professional development plan to support teachers in attaining full licensure and/or the school has a plan for attaining a fully licensed teacher the following year.																																					
How determined and comments:	<p>Staff assignments align with areas of licensure. Less than 10% of teaching staff are operating with Tier 1 or repeated use of Out-of-Field permissions from the PELSB.</p> <p>STEP ACADEMY has maintained a solid base of teachers with a Tier 3 or 4 license, but haven't quite maintained at least 80%. Additionally, several teachers are Tier 2 and a handful are Tier 1. FY23 is shown below as an example. While the school provide professional development plan for all teachers, there isn't an plan to support teachers in obtaining full licensure. It should be noted that the school had multiple STAR violations in FY23 and FY24.</p>  <table border="1"> <thead> <tr> <th>Tiers</th> <th></th> <th>Statewide</th> <th>STEP Academy</th> </tr> </thead> <tbody> <tr> <td>Tier 4</td> <td>Count</td> <td>48133</td> <td>20</td> </tr> <tr> <td></td> <td>Percent</td> <td>80.6%</td> <td>48.6%</td> </tr> <tr> <td>Tier 3</td> <td>Count</td> <td>7939</td> <td>12</td> </tr> <tr> <td></td> <td>Percent</td> <td>13.4%</td> <td>28.3%</td> </tr> <tr> <td>Tier 2</td> <td>Count</td> <td>2459</td> <td>7</td> </tr> <tr> <td></td> <td>Percent</td> <td>4.3%</td> <td>17.5%</td> </tr> <tr> <td>Tier 1</td> <td>Count</td> <td>3857</td> <td>2</td> </tr> <tr> <td></td> <td>Percent</td> <td>6.5%</td> <td>4.6%</td> </tr> </tbody> </table>				Tiers		Statewide	STEP Academy	Tier 4	Count	48133	20		Percent	80.6%	48.6%	Tier 3	Count	7939	12		Percent	13.4%	28.3%	Tier 2	Count	2459	7		Percent	4.3%	17.5%	Tier 1	Count	3857	2		Percent	6.5%	4.6%	2.5
Tiers		Statewide	STEP Academy																																						
Tier 4	Count	48133	20																																						
	Percent	80.6%	48.6%																																						
Tier 3	Count	7939	12																																						
	Percent	13.4%	28.3%																																						
Tier 2	Count	2459	7																																						
	Percent	4.3%	17.5%																																						
Tier 1	Count	3857	2																																						
	Percent	6.5%	4.6%																																						
5.c Enrollment policy	Enrollment policies and procedures do not meet the requirements of Minnesota Statute 124E.11.	Enrollment policies and procedures in place are consistent with Minnesota Statute 124E.11 but are not consistently followed or are not posted on the school's website.	Policies and procedures for student enrollment in the school are consistent with Minnesota Statute 124E.11.	Policies and procedures for student enrollment in the school are consistent with Minnesota Statute 124E.11, published on the school website. Over the past two (2) years, the school has been required to conduct a lottery to address growing enrollments.																																					
How determined and comments:	<p>Enrollment policies and procedures do not meet the requirements of Minnesota Statute 124E.11.</p> <p>School enrollment and lottery policy are posted on school website, but are not compliant with statutory requirements. The school's lottery process and procedures need to be revised and articulated in the adopted policy. Additionally, the documentation requirements for kindergarten students are not aligned with allowable documentation in statute. Additionally, the school cannot require students to provide a transcript before being accepted to the school. Additional information and clarifications can be found MDE's rubric review of the transfer request and the IQS enrollment policy checklist.</p>				1.5																																				

Operations of the School Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
5.d Transportation	Transportation system has been established, but fails to meet one or more of the requirements established in Minnesota Statute 124E.15.	Transportation system has been established. Complaints are on file related to the effectiveness and/or efficiency of the system.	A system of transportation is in place and meets all criteria as described in Minnesota Statute 124E.15.	A system of transportation is in place and meets all criteria as described in Minnesota Statute 124E.15. Transportation information is published on the school website. At least semi-annually, a survey of student and parent satisfaction is conducted as a means of determining the effectiveness of the transportation system.	
How determined and comments:	A system of transportation is in place and meets all criteria as described in Minnesota Statute 124E.15. The school renewed their contract with Billie Bus for student transportation based on board approval. The contract with Billie Bus is valid for 4 years. Also the school has a contract with NAAS for 2 years. The school has 22 buses and 16 vans serve both campuses. The survey for transportation satisfaction has not been conducted. IQS is unaware of any complaints related to transportation.				3.0
5.e School Complaint and Resolution Procedures	Complaint and resolution procedures have not been established.	Complaint and resolution procedures have been established but are inconsistently followed by school leadership and staff and/or are not on the school's website.	Complaint and resolution procedures have been established and are on the school's website and are consistently followed by school leadership and staff.	Resolution procedures to address key stakeholder complaints are in place and posted on the district website. Staff members can articulate the resolution procedures. If there have been any complaints in the previous two years, evidence has been presented that all complaints have been resolved through the consistent application of the procedures.	
How determined and comments:	Complaint and resolution procedures have been established but are inconsistently followed by school leadership and staff and/or are not on the school's website. While STEP Academy may have a complaint and resolution procedures in place, it does not appear to be posted on the school website. IQS has received multiple complaints over the term of the contract, which primarily appear to be about school's management and governance. Complainants have expressed concerns over retaliation as a reason for not trying to resolve the complaints locally.				2.0
5.f Website Compliance	The school does not have a website or the website is absent of many statutory required elements.	The school has a website that is missing a few of the required elements and/or the school has required multiple corrective reminders.	The school's website has all statutory requirements and the school has not needed more than one corrective reminder during the past twelve (12) months.	The school has consistently maintained a website that meets all statutory requirements.	
How determined and comments:	The school has a website that is missing a few of the required elements and/or the school has required multiple corrective reminders. The school has not consistently maintained updated information, such as updated board rosters and documents and some mandated reports or information. The linked website checklist above provides an overview of website elements that must be present.				2.5
5.g School Insurance	The school does not have insurance or has insurance but the provisions in the policy do not meet either the requirements found in Minnesota Statutes chapter 466 or the provisions cited in section 4.15 of the contract between the authorizer and the school.	The school has insurance in place as required in Minnesota Statutes chapter 466 and in accordance with the provisions cited in section 4.15 of the contract between the authorizer and the school.	The school has insurance in place as required in Minnesota Statutes chapter 466 and in accordance with the provisions cited in section 4.15 of the contract between the authorizer and the school.	The school has insurance in place as required in Minnesota Statutes chapter 466 and in accordance with the provisions cited in section 4.15 of the contract between the authorizer and the school. The insurance policy is annually reviewed by the Board. At least once every three (3) years, the school seeks quotes from qualified insurance providers to ensure comparable coverage is obtained at the best possible price.	
How determined and comments:	The school does not have insurance or has insurance but the provisions in the policy do not meet either the requirements found in Minnesota Statutes chapter 466 or the provisions cited in section 4.15 of the contract between the authorizer and the school. The school has failed to produce certificates of insurance as requested multiple times by IQS representatives.				1.0

Operations of the School Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
5.h State and Federal Laws	State and federal laws such as those related to special education, ESL, student discipline, discrimination and school food/nutrition are being followed as evidence by state and/or federal audits. However, over the past two years, more than one violation has been cited.	State and federal laws such as those related to special education, ESL, student discipline, discrimination and school food/nutrition are being followed as evidence by state and/or federal audits. However, over the past two years, one violation has been cited.	State and federal laws such as those related to special education, ESL, student discipline, discrimination and school food/nutrition are being followed as evidence by state and/or federal audits. No violations have occurred in the past year.	State and federal laws such as those related to special education, ESL, student discipline, discrimination and school food/nutrition are being followed as evidence by state and/or federal audits. No violations have occurred in the past two years.	
	<p>State and federal laws such as those related to special education, ESL, student discipline, discrimination and school food/nutrition are being followed as evidence by state and/or federal audits. However, over the past two years, more than one violation has been cited.</p> <p>While the school appears to be following statutory requirements related to student programs, such as special education and EL, other management areas have been problematic. There were multiple issues when the school was renovating the new site. For example, the school changed their learning model to virtual for the first month of school for Burnsville students without proper permission from the MDE or IQS. When the Burnsville Campus still wasn't ready, students were in a building for another month of school (after the virtual month) without the school conducting any checks to ensure the facility meets health and safety requirements. For FY24, the superintendent hired a principal without implementing an open and fair hiring process and entered into a contract without the Board authorization to do so.</p>				1.5
5.i Required Immunization	Not all immunizations and or immunization records have been completed and on file for all students as required.	Processes and procedures are in place to ensure that the required immunizations for students are on file. However, the school inconsistently oversees the procedures.	Processes and procedures are in place to ensure that the required immunizations for students are on file.	Required immunizations are on file for all students. Policies and procedures for parents to 'opt out' are available on the school website. All records are kept in accordance to HIPAA requirements.	
How determined and comments:	<p>Processes and procedures are in place to ensure that the required immunizations for students are on file.</p> <p>The school included their Health/Immunization policy in the parent/student Handbook. The immunization page from the state is not posted, however they have it in hard copy attached to the application form. Also based on "Minn. Stat. § 256.962, subd. 6" the application to obtain health care assistance must be posted on the school website</p> <p>The school processes are in place that requires immunization for students and it is on their file. The school nurse was responsible for reviewing and updating students health record and communicating with parents regarding their health records. The immunization policy is in the student handbook on the school's website</p>				3.0
5.j Nonsectarian Assurance	School has received two or more notices from a governing agency (state, federal, or authorizer) within the past 12 months regarding nonsectarian compliances.	School has received a notice from a governing agency (state, federal, or authorizer) within the past 12 months regarding nonsectarian compliance.	The school is nonsectarian in all aspects of its operations consistent with Minnesota Statute 124E.06 and submitted annual charter school assurances in a timely manner.	The school is nonsectarian in all aspects consistent with the Minnesota Statute 124E.06, submitted annual charter school assurances in a timely manner, and has not received any notices from a governing agency within the past two years.	
How determined and comments:	<p>The school is nonsectarian in all aspects of its operations consistent with Minnesota Statute 124E.06 and submitted annual charter school assurances in a timely manner.</p> <p>The school is non sectarian in all aspects of its operations. The school has not received any notices from a governing agency within the past two years and is nonsectarian in all aspects. STEP ACADEMY is careful to submit the nonsectarian assurance form annually on time.</p>				3.5
5.k State Reporting Requirements	The school does not have the capacity to manage all state reporting requirements.	The school has the capacity to manage all state reporting requirements. However, at least one (1) notice of non-compliance has been received within the last 12 months.	The school has the capacity to manage all state reporting requirements with submittals made on a timely basis. No notices of non-compliance have been received during the past 12 months.	The school has the capacity to manage all state reporting requirements. No notices of non-compliance have been received during the past two years.	
How determined and comments:	<p>The school has the capacity to manage all state reporting requirements with submittals made on a timely basis. No notices of non-compliance have been received during the past 12 months.</p> <p>Designs for Learning and school staff are working on managing state reports.</p> <p>STEP Academy works with a financial company and has the capacity to manage all state reporting and submit it on time. However, there was one year in the term of the contract where the school failed to submit the audit report on time. It is noted that this issue relates to reporting in the finance category, measure 4.d, so the school is not being penalized for that concern in this measure.</p>				3.5

Operations of the School Performance Indicators	Intervention Benchmark	Progressing Benchmark	Target Benchmark	Exceeding Target Benchmark	Place score in this Field
Points	1.0-1.9	2.0-2.9	3.0-3.9	4.0	1.0-4.0
5.l Health and Safety	The school does not adhere to all health and safety requirements in accordance with Minnesota Statutes and as cited section 4.10 in the contract between the school and the authorizer and more than one violation has been cited during the past twelve (12) months.	The school adheres to all health and safety requirements in accordance with Minnesota Statutes and as cited section 4.10 in the contract between the school and the authorizer. However, one (1) violation has been cited during the past twelve (12) months.	The school adheres to all health and safety requirements in accordance with Minnesota Statutes and as cited section 4.10 in the contract between the school and the authorizer. No notices from governing agencies have been received over the past twelve (12) months.	The school adheres to all health and safety requirements in accordance with Minnesota Statutes and as cited section 4.10 in the contract between the school and the authorizer. No notices from governing agencies have been received over the past two years.	
How determined and comments:	Over the course of the contract, the school generally met the target benchmark language, but in FY23 the school placed all students in a community center near the Burnsville location without doing any analysis that the building meets all health and safety requirements for public schools. The school posted a Crisis plan policy 806 on the website. The school conducts fire and tornado drills regularly.				2.5
5.m Lease Provisions	The school has entered into a lease agreement in accordance with Minnesota Statute 124E.13. The cost of operation is greater than 10% above comparable lease agreements located within the immediate area.	The school has entered into a lease agreement in accordance with Minnesota Statute 124E.13. The cost of operation is no more than 10% above comparable lease agreements located within the immediate area.	The school has entered into a lease agreement in accordance with Minnesota Statute 124E.13. Costs are comparable to similarly located schools.	The school has entered into a lease agreement in accordance with Minnesota Statute 124E.13. The agreement was competitively bid. Costs are comparable to similarly located schools. The terms of the lease reflect the stability and long-range planning of the school.	
How determined and comments:	The school has entered into a lease agreement in accordance with Minnesota Statute 124E.13. The cost of operation is no more than 10% above comparable lease agreements located within the immediate area. The school's lease for the St. Paul campus is not a concern. The new Burnsville location is of great concern. The terms of the lease present great risk to the school and do not include safeguards, though some aspects were addressed in an amendment to the lease. Additionally, the price the school paid for FY23 when they were only able to occupy the first of three floors resulted in an incredibly high per square foot cost. These terms, along with the cost of construction, depleted the school's fund balance. While the school has recently formed an Affiliated Building Corporation, this should have been done prior to securing the second site.				2.0
5.n Organizational Systems	There is no evidence of an organizational chart, job descriptions or performance evaluations.	There is evidence of an organizational chart, job descriptions and performance evaluations. However, they have not been reviewed by the Board within the past three years.	The school has internal operations that result in a well managed school including a management chart, position descriptions, professional performance evaluations, functioning committees etc.; reviewed by the board within the last three years.	The school has internal operations that result in a well managed school including a management chart, position descriptions, professional performance evaluations, functioning committees etc.; reviewed annually by the board.	
How determined and comments:	There is evidence of an organizational chart, job descriptions and performance evaluations. However, they have not been reviewed by the Board within the past three years. STEP Academy is currently under probationary status from IQS and this is evidence that the school is not well managed and the current structures have allowed for situations that continue to pose risk to the school community. It does not appear that the Board has reviewed position descriptions in recent years, nor is there evidence in Board minutes that annual evaluations of the superintendent have been consistently conducted by the Board.				2.0
				Average	2.3

Summary of Composite Scores

Section 1: School Model, Mission and Vision	3.3
Section 2: Governance	2.5
Section 3: Performance	3.0
Section 4: Finance	2.4
Section 5: Operations	2.3
Summary and renewal term:	
<p>Section 5.3 of the current contract that ends on June 30, 2024 states the details of the renewal process. In short, "Prior to renewing this Agreement, IQS will conduct a performance evaluation specifically addressing each of the performance indicators contained within this Agreement. The School must demonstrate satisfactory performance on these performance indicators in order for the Agreement to be renewed...The School ScoreCard will be the standard used to determine whether the Agreement will be renewed and if so, the term of the renewal." Additionally, as outlined in Section 5.3 of the contract and stated in the IQS AAP Part B Narrative in Section B.9, "Unless there are extenuating circumstances, the following is the criteria will be applied in determining the length of the new contract...If a school receives an average score at or above 3.0 in all five (5) of the performance categories, the school will be offered a contract term up to five (5) years."</p> <p>i. If a School receives an average score below 2.0 in performance category Section 3 of the ScoreCard over the term of the Agreement, the School will be placed on probation and recommended for a one-year renewal of the Agreement and a School Improvement Plan must be implemented. If the Plan does not cause the school to improve, it may be recommended for closure.</p> <p>ii. If a School receives an average score of 2.0 to 3.0 in performance category Section 3 of the ScoreCard over the term of the Agreement, the School will be placed on probation and a School Improvement Plan must be implemented. The length of the renewal of the Agreement will not exceed three (3) years.</p> <p>While STEP Academy may have met the criteria to be eligible for a renewal of the agreement for a period of up to 3 years, the IQS Board has determined that given the existing probationary status, the school will be offered a new contract for a term of one year, effective from July 1, 2024 through June 30, 2025.</p> <p>The renewed contract outlines the terms for a future renewal in Section 5.3: Performance Evaluation Prior to Agreement Renewal.</p>	

Addendum 6: Corrective Actions

The plan below outlines required corrective actions, intended to resolve persistent and probationary issues related to the management, operations, and governance of STEP Academy.

The School Board must provide accurate and timely communications regarding the school's probationary status and progress on corrective actions with interested parties, including but not limited to the school community and authorizer, at public meetings of the Board, adhering to data privacy as necessary.

Corrective Action	Timeline
As per the Memorandum of Agreement (MOA), the school will contract with an external consultant. The selection of the external consultant will be subject to the approval of IQS. The role of the external consultant is to analyze the school's systems, including but not limited to: finance, operations, employment and human resources, and governance, and make recommendations for corrective actions and improvements.	Prior to June 7, 2024
As per the MOA, the school will implement all corrective actions and improvements articulated by the contracted external consultant unless a written exemption is approved by IQS.	Ongoing and according to reasonable timelines provided by the consultant
As per the MOA, the Board shall take action to create a new Chief Operating Officer ("COO") position, develop a job description, establish qualifications pursuant to 124E.12 subd. 2, and post the job opening to seek qualified applicants. The services to be retained from the COO shall include, but not be limited to overseeing and managing STEP's school systems related to finance, operations, employment and human resources. The COO shall report directly to the STEP Board of Directors.	Prior to June 21, 2024
As per the MOA, the Board will hire an external candidate with no prior employment with STEP, who is qualified for the position, has demonstrated effective experience, and is approved by IQS, to serve in the new COO position.	Commencement of employment for the COO is no later than August 5, 2024.
As per the MOA, the STEP Board, at the 2024 Annual Meeting during June 2024, will increase the number of seats to a minimum of nine members, which will be maintained for a minimum of three years, and set the annual meeting for the 2024-2025 school year for a date in September when school is in session. The external consultant will be responsible for supporting the recruitment of potential candidates and the election process related to the increase in board seats. Documentation articulating the process, timeline, and nomination forms shall be developed and submitted to IQS for review and approval at least ten (10) business days prior to approval by the STEP Board. Approved documentation shall be provided to all eligible voters no later than July 15, 2024.	Prior to July 1, 2024 Documentation distributed no later than July 15, 2024

<p>To the extent that STEP retains the current superintendent, the STEP Board shall take action to modify the current Superintendent position to remove functions and responsibilities related to finance, operations, employment and human resources that have been delegated to the new COO position upon commencement of the employment of the COO. STEP shall provide IQS with evidence of compliance with this requirement no later than five (5) business days following the STEP Board meeting at which such action is taken.</p>	<p>Prior to the commencement of employment of the COO.</p>
<p>STEP shall hold elections for all newly created open Director seats as well as for all Director seats whose term will expire as of June 30, 2025. The candidates who receive the most votes in the election for their respective roles (parent, teacher, community member) will be seated into the newly created open seats at the 2024-2025 Annual Meeting held in September 2024.</p>	<p>Prior to October 1, 2024</p>
<p>While training may occur earlier at the recommendation of the contracted external consultant, the consultant will create, and the Board will implement, an intensive Board development plan inclusive of 124E.07 (as amended) with ongoing training that is responsive to both the needs of the Board and individual members. The plan shall be submitted for review and approval by IQS prior to implementation.</p>	<p>Plan developed prior to October 15, 2024 with implementation beginning no later than November 1, 2024 and ongoing thereafter</p>



May XX, 2024

Via email only: mde.charterschools@state.mn.us
mde.commissioner@state.mn.us

Commissioner Willie Jett
Minnesota Department of Education
400 NE Stinson Blvd
Minneapolis, MN 55413

Dear Commissioner Jett,

Innovative Quality Schools (IQS) and STEP Academy jointly submit this letter as notice that we have mutually agreed to withdraw the mutual nonrenewal notice submitted on October 19, 2023 and have entered into a contract for the 2024-2025 school year.

The Boards of Directors of STEP Academy and Innovative Quality Schools have both taken action to rescind the mutual non-renewal and have entered into a new contract, effective July 1, 2024 [attached]. The organizations have also entered into a Memorandum of Agreement [attached].

As per a Memorandum of Agreement (MOA), paragraph five (5), IQS reserves the right to rescind the withdrawal if there is a breach in the MOA and "...IQS will notify STEP and MDE of the nullification of the 2024-2025 Agreement and rescission of the withdrawal of the mutual non-renewal of the authorizer contract..."

Please reach out with any questions.

Respectfully,

Steve Kelley
Board Chair
Innovative Quality Schools
spkinmn@gmail.com

Dr. Abdulrazzaq Mursal
Board Chair
STEP Academy
abdulrazzaqmursal@stepacademymn.org

Attached: Charter Contract/2024-2025 Authorizer Agreement
Memorandum of Agreement

cc: Laurie Schroeder, IQS Managing Director
Heather Ross, IQS Associate Director
Mustafa Ibrahim, STEP Superintendent
Paula Higgins, MDE Charter Center Director