

MEMORANDUM OF UNDERSTANDING REGARDING OVERSIGHT  
by and between  
CHICO UNIFIED SCHOOL DISTRICT  
AND INSPIRE SCHOOL OF ARTS AND SCIENCES

This Memorandum of Understanding ("Agreement") is executed between the Chico Unified School District ("CUSD" or "District") and Inspire School of Arts and Sciences ("INSPIRE").

I. RECITALS

- A. The CUSD is a school district existing under the laws of the State of California.
- B. INSPIRE is a direct-funded California public Charter School existing under the laws of the State of California and under the chartering authority oversight of CUSD.
- C. CUSD is the authorizing agency of INSPIRE. This Agreement is intended to outline the agreement of INSPIRE and CUSD governing their respective fiscal and administrative responsibilities, their legal relationships and operation of INSPIRE.
- D. Written modifications of this Agreement may be made by mutual agreement as set forth in Section A below. This Agreement shall be effective upon execution until terminated in accordance with this Agreement, and shall remain in effect for the duration of the existing initial charter document.
- E. If the terms of this Agreement conflict with the terms of the Charter, this Agreement shall control and supersede the Charter. If the inconsistency is material to the terms of the Charter, the two parties will meet to consider the Charter to reach consistency. In addition, if the Charter, read alone without incorporating this Agreement, is silent on an issue addressed by this Agreement, this Agreement shall control.

II. AGREEMENTS

A. Terms

- 1. This Agreement will govern the relationship between CUSD and INSPIRE regarding the operation of INSPIRE.
- 2. The term of this Agreement shall begin July 1, 2019 and will be effective through June 30, 2020. No later than 60 days after the current expiration date of this Agreement, upon the written request of either party, the parties shall meet and confer over the fees set forth in Section E, or regarding any other term of this Agreement that the party wishes to change. Should the parties agree to modify the terms of Section E or any other term of this Agreement, they shall mutually negotiate and execute a modification of or addendum to this Agreement. Should neither party request to meet and confer over Section E or any other term of this Agreement by the date set forth above, or if the parties cannot agree to

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modified terms in Section E or any other term of this Agreement, the terms of current Agreement shall roll over for a subsequent one (1) year term, commencing July 1 immediately following the expiration of the current Agreement.

3. Any modification of this Agreement must be in writing, executed by duly authorized representatives of both parties, ratified by the respective Boards, and must indicate intent to modify or amend this Agreement.
4. The duly authorized representative of INSPIRE is the Principal of INSPIRE or designee
5. The duly authorized representative of CUSD is the Director of State and Federal Programs or designee. In order to ensure consistency in communications, all communication regarding any aspect of the operation of INSPIRE shall be initiated by the designated representative of INSPIRE with the Director of State and Federal Programs.
6. This Agreement shall terminate automatically upon closure of INSPIRE for any reason, except as may be specified otherwise herein. "Closure" means that all legally required closure processes are completed. Notwithstanding the terms of this paragraph, the MOU shall not terminate until such time as INSPIRE has exhausted all of its statutory appeal rights under Education Code section 47607 in the event of non-renewal or revocation by the District. Provisions shall survive termination of this Agreement as indicated herein.

B. Funding

1. INSPIRE is eligible for Local Control Funding Formula (LCFF) Funding as set forth under Education Code Section 47632(a). LCFF funding will be apportioned by Average Daily Attendance (ADA). INSPIRE will be responsible for providing the State Department of Education with all data required for funding. LCFF Funding will not include:
  - a. Programs for which INSPIRE is required to apply separately.
  - b. Special Education programs.
  - c. Lottery funds -- INSPIRE will be funded directly from the State in addition to its LCFF Funding. A portion of Lottery Funds must be spent on instruction, as dictated by the State.
2. INSPIRE is eligible for Federal funding including, but not limited to: Title I, II, IV and

VII, based on the qualification of INSPIRE's students for such funding.

3. INSPIRE will receive funding from the State directly, pursuant to Education Code section 47651.
4. INSPIRE may receive funding from new or one-time funding sources available to charter schools provided by the State of California to the extent that INSPIRE and its students generate such entitlements. Additionally, INSPIRE may apply for private grants.
5. Grants written by and obtained by INSPIRE will come directly to INSPIRE instead of being deposited by the District and deducted or offset from revenues that are paid from the District to INSPIRE (such in as in-lieu property tax payments under Education Code section 47635.)
6. In addition to the LCFF Funding specified herein, the parties recognize the authority of INSPIRE to pursue additional sources of funding.
7. If CUSD applies for additional sources of funding in the form of grants and/or funding at the request of and for the benefit of INSPIRE, which it may do in its sole discretion, CUSD will receive a percentage of such funds to be allocated to INSPIRE. CUSD will charge the maximum direct costs as allowed under law or as specified by the specific funding source. Funds shall be allocated to INSPIRE on a prorated basis related to the formula that generates the funds. For example, if funds are generated on a per eligible students' basis, they shall be allocated to INSPIRE on a per eligible student basis minus the administration fee (i.e., direct cost fee) charged by CUSD. Nothing in this provision, however, shall be construed to obligate the District to apply for such funding on behalf of the Charter School unless otherwise required by law.
8. INSPIRE shall cooperate fully with CUSD in any applications made by CUSD on behalf of the students of INSPIRE.
9. INSPIRE agrees to comply with all applicable laws and regulations related to receipt and expenditures of such funds.
10. CUSD shall, every fiscal year, transfer to INSPIRE funding in lieu of property taxes in monthly installments on or before the fifteenth (15th) of each month pursuant to Education Code Section 47635.
11. INSPIRE agrees that all loans received by INSPIRE shall be the sole responsibility of INSPIRE and CUSD shall have no obligation for repayment. INSPIRE agrees that it shall establish a fiscal plan for repayment of any loans received by INSPIRE in advance of approving receipt of such loans. It is agreed that all loans sought by INSPIRE shall be authorized in advance by CUSD and shall be the sole responsibility of INSPIRE. INSPIRE agrees that CUSD shall have no obligation for repayment. INSPIRE shall provide advance written notice with details of terms and repayment plan to CUSD specifying its intent to apply for/seek a loan. INSPIRE shall also provide to CUSD written notice of deposit of any sums which are loans and the plan for re-payment.

12. INSPIRE agrees that all public funding obtained by INSPIRE shall only be used to provide educational services and support consistent with its Charter and shall not be used for purposes other than those set forth in the approved Charter, this Agreement or any authorized amendments. All expenditures shall be in accordance with applicable law.
13. INSPIRE shall not seek a share of additional operational funding pursuant to Education Code Section 47636, Subdivision (a).

C. Legal Relationship

1. The Parties recognize that INSPIRE is a directly funded 501(c)(3) that operates INSPIRE under the supervisory oversight of CUSD.
2. INSPIRE shall be wholly responsible for INSPIRE's operations and shall manage its operations efficiently and economically within the constraints of INSPIRE's annual budget. CUSD shall not be liable for the debts or obligations of INSPIRE, for claims arising from the debts or obligations of INSPIRE or for claims arising from the performance of acts, errors, or omissions by INSPIRE, and INSPIRE agrees to indemnify CUSD against any such claims as set forth in the Charter and this Section without regard to whether CUSD has performed the oversight responsibilities described in Education Code Sections 47604.32 and 47605(m), provided that INSPIRE shall not be responsible for indemnifying CUSD if the debt, obligation, or claim is caused in part or in whole by CUSD's negligence or willful misconduct. This indemnification clause shall survive termination of this Agreement.

INSPIRE shall not have the authority to enter into a contract that would bind CUSD, nor to extend the credit of the CUSD to any third person or party. INSPIRE shall clearly indicate in writing to vendors and other entities and individuals outside CUSD with which or with whom INSPIRE enters into an agreement or contract that the obligations of INSPIRE under such agreement or contract are solely the responsibility of INSPIRE and are not the responsibility of CUSD. Such disclosure shall appear with the agreement or contract that INSPIRE enters into with the vendor.

INSPIRE shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless CUSD, its officers, directors, employees, attorneys, agents, representatives, volunteers, successors and assigns (collectively hereinafter "District" and "District Personnel") from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against District and/or District Personnel, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, INSPIRE's performance under this Agreement or the Charter, or any acts, errors, negligence, omissions or intentional acts by INSPIRE, its board of directors, officers, administrators, employees, agents, representatives, volunteers, successors and assigns. This indemnity and hold harmless provision shall exclude actions brought by third persons against CUSD arising out of any intentional acts of District Personnel or solely out of any acts or omissions of District Personnel that are not otherwise related to or connected with

INSPIRE and/or its Personnel. This indemnification clause shall survive termination of this Agreement.

CUSD shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless INSPIRE, its officers, directors, employees, attorneys, agents, representatives, volunteers, successors and assigns (collectively hereinafter "INSPIRE" and "INSPIRE Personnel") from and against any and all actions, suits, claims, demands, losses, costs, penalties, obligations, errors, omissions, or liabilities, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment rendered against INSPIRE and/or INSPIRE Personnel, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, CUSD's performance under this Agreement or the Charter, or any acts, errors, negligence, omissions or intentional acts by CUSD, its board of directors, administrators, employees, agents, representatives, volunteers, successors and assigns. This indemnity and hold harmless provision shall exclude actions brought by third persons against INSPIRE arising out of any intentional acts of INSPIRE and/or INSPIRE Personnel or solely out of any acts or omissions of INSPIRE and/or INSPIRE Personnel that are not otherwise related to or connected with CUSD and/or its Personnel. This indemnification clause shall survive termination of this Agreement.

3. INSPIRE will comply with all applicable state and federal laws, including, without limitation, the Ralph M. Brown Act (Gov. Code, Section 54950 et seq.), the California Public Records Act (Gov. Code, Section 6250 et seq.), and conflict of interest laws, including without limitation, the Political Reform Act (Gov. Code, Section 87100) and Government Code Section 1090 et seq. in accordance with Education Code section 47604.1.

INSPIRE shall also comply with all applicable federal and state laws concerning the maintenance and disclosure of student records, including, without limitation, the Family Education Rights and Privacy Act of 1974 (20 U.S.C.A. Section 1232g), all applicable state and federal laws and regulations concerning the improvement of student achievement, including, without limitation, applicable provisions of the Elementary and Secondary Education Act of 1965 (20 U.S.C.A. Section 6301, et seq. as amended by the Every Student Succeeds Act of 2015 (hereinafter the law, state and federal regulations referred to herein as "ESSA") and agrees to take appropriate remedial action if notified by the State of California of a violation of any of the foregoing.

4. Any complaints or concerns (including complaints filed with OCR, EEOC, or FEHA) received by CUSD about any aspect of the operation of INSPIRE or about INSPIRE shall be forwarded by CUSD to INSPIRE within 3 business days of receipt. CUSD may request that INSPIRE inform CUSD of how such concerns or complaints are being addressed, and INSPIRE shall provide such information subject to attorney client privilege. INSPIRE shall handle its own uniform complaints pursuant to a Uniform Complaint Procedure adopted in accordance with California Code of Regulations, Title 5, Section 4600 et seq.

D. Fiscal Relationship

INSPIRE and CUSD agree that "supervisory oversight", as used in Education Code Section 47613 shall include, but not be limited to, the following:

All activities related to the charter revocation and renewal process, as described in Section 47607.

- Review of all INSPIRE financial reports pursuant to Education Code 47604.33.
- Activities relating to monitoring the performance and compliance of the charter school with respect to the terms of its charter, related agreements and applicable fees.
- Review of and timely response to the annual school performance report and related processes as outlined in the INSPIRE Charter.
- Participating in the dispute resolution process as described in the INSPIRE Charter.

1. Oversight Obligations: District oversight obligations also include, but are not necessarily limited to, the following:

- a. Review and revision of this Agreement and any subsequent agreements to clarify and interpret the Charter and amendments to the Charter and the relationship between INSPIRE and CUSD.
- b. Monitoring performance and compliance with the Charter and with applicable laws, including, without limitation, by way of the following:
  - Visiting INSPIRE at least once per year;
  - Observing instruction on a periodic basis as determined by CUSD;
  - Working with district personnel to ensure that INSPIRE submits the reports and documents identified in subsection (D)(1) to D(10) below;
  - Monitoring the fiscal condition of INSPIRE;
  - Notifying the State of California upon the occurrence of any of the events described in Education Code Section 47604.32(a)(5).

INSPIRE shall promptly respond to all reasonable inquiries of CUSD, including, but not limited to, inquiries regarding its financial records.

- c. Any process related to the issuance of a notice to remedy or other corrective notice related to INSPIRE's operations, including document requests, hearings, notices, and investigations and monitoring efforts to remedy operational problems identified by CUSD will be conducted in compliance with Education Code Section 47607 and its implementing regulations.
- d. CUSD requires INSPIRE to provide information and documentation related to its operations. CUSD annually prepares its due dates for INSPIRE Financial and Attendance Reports ("Reports"). INSPIRE shall provide all

information and documentation in the form and at the times specified in the Reports. Whether included in the Report or not, INSPIRE shall provide CUSD with a copy of the following documents, data and reports, in the form and at the times specified.

(1) Student Data

INSPIRE shall submit student enrollment projections to CUSD by March 19 of the preceding school year each year. During the school year, monthly enrollment and ADA reports with respect to INSPIRE will be available to CUSD. INSPIRE shall annually provide CUSD a list of names and addresses of students enrolled along with the school district of residence of each respective student no later than November 1 of each year.

INSPIRE shall maintain contemporaneous written records of enrollment and ADA and those records will be available to CUSD. INSPIRE will develop the P-1, P-2, and annual state attendance reports and submit to the state by state deadlines each year. INSPIRE's student discipline policies shall be provided to CUSD annually, by October 1 of each year, and as updated.

(2) Personnel Data/Credential Data

Actual staffing data shall be provided to CUSD on an annual basis and prior to commencement of each school year. Teacher credentials, clearances, and permits shall be maintained on file at INSPIRE and may be subject to periodic inspection by CUSD. Copies of credentials and a list of teaching/class assignments for each teacher shall be provided to CUSD by INSPIRE at the commencement of each school year and no later than September 15, and whenever any changes in credentials or assignments occur during the school year, along with written verification by INSPIRE that credentialing requirements imposed on INSPIRE under all applicable laws have been met. INSPIRE shall also provide to CUSD at the commencement of each school year and no later than September 15, certification that all of its employees are in compliance with Education Code section 44237 for INSPIRE employees.

(3) Annual Employment Audit

Charter School shall provide the following reports to the District no later than October 31 each year:

- (a) List of all employees verifying TB clearance.
- (b) List of certificated employees verifying credentials held,

- as well as the expiration date for each credential.
- (c) Certification by INSPIRE that all of its employees meet all legal requirements.
- (d) Verification that all employees have submitted fingerprints, and prior to employment, were found eligible to work for a public school.
- (d) Master Schedule listing all teaching assignments.

(4) Budget/Financial Data

(a) Budget Data:

Charter School shall provide the following fiscal reports to CUSD consistent with Education Code 47604.33 (a) 1-4. A preliminary budget due on June 30, for the upcoming fiscal year; a first interim report, due on December 15, covering operations through October 31; a second interim report, due on March 15, covering operations through January 31; final unaudited report, due on September 15, covering the prior fiscal year. These deadlines shall recur annually. Charter School will also conduct an annual, independent financial audit consistent with Education Code Section 47605(m), to be submitted no later than December 15 for the previous fiscal year. Charter School shall request the auditor to conduct an exit interview to discuss any findings. A copy of the entire exit interview report will be submitted to the Director of Fiscal Services. Charter School agrees to submit, in addition to the above financial reports, monthly financial statements to the Director of Fiscal Services of CUSD. These will be submitted to CUSD after every Charter School monthly Board meeting by the Director of Fiscal Services. Charter School shall make every effort to comply fully with Education Code Section 47604.33. Reports will be submitted using either the SACS format or the format used in reporting to the Charter School Board.

(b) Cash Flow Data:

CUSD shall be notified at least three weeks in advance of Board of Directors action to incur short or long term debt on behalf of INSPIRE, and financing documents shall be made available for District review upon request.

Financial Data:

Bank account reconciliations for Charter School will be the responsibility of Charter School.

Charter School is required to provide the District with written

assurances that demonstrate fiscal responsibility and planning in each financial decision over \$100,000, including entering into contracts and loans, within 10 days of entering into such financial commitments.

Financial Audit:

Charter School shall provide a copy of Charter School's Audited Financial Report to the District, the Butte County Superintendent of Schools, the State Controller, and the California Department of Education by December 15 of each year. Audit exceptions or deficiencies identified in the audit report shall be addressed by Charter School through the development of a remediation plan outlining how and when they will be resolved, subject to District approval. The remediation plan will be provided to the District by January 15 of each year or within 4 weeks following the finalization of the Audited Financial Report, whichever is later. Failure to obtain an approved remediation plan (approval shall not be unreasonably withheld) will be considered fiscal mismanagement within the meaning of Education Code section 47607(c)(3).

(c) Loans

INSPIRE agrees that it shall establish a fiscal plan for repayment of any loans received by INSPIRE in advance of approving receipt of such loans. It is agreed that all loans sought by INSPIRE shall be authorized in advance by CUSD and shall be the sole responsibility of INSPIRE. INSPIRE agrees that CUSD shall have no obligation for repayment. INSPIRE shall provide advance written notice with details of terms and repayment plan to CUSD specifying its intent to apply for/seek a loan. INSPIRE shall also provide to CUSD written notice of deposit of any sums which are loans and the plan for re-payment. It is not the intent of CUSD to approve or disapprove any prospective loans.

(5) Governance Data/Meeting Information

Copies of meeting agendas for meetings of INSPIRE Board of Directors shall be posted at the INSPIRE facility and on web site at the time they are distributed to the public pursuant to the Brown Act. INSPIRE shall provide CUSD with notice of all meetings by providing copies of agendas at the same time the agenda is posted and will provide copies of minutes to CUSD from each meeting upon approval of same.

INSPIRE shall annually (on or before July 1 of each year) send to

CUSD a list of its directors and officers, and shall notify CUSD within 30 days of any change in the composition of these directors and officers.

(6) Personnel Policies

A copy of Charter School personnel and payroll policies shall be provided upon commencement of the first school year and annually thereafter by September 1.

(7) Risk Management Data

INSPIRE shall establish and institute risk management policies and practices to address reasonably foreseeable occurrences. A report of the risk management program operation shall be submitted to CUSD no later than October 31 each year. The components of the report should include the INSPIRE Designated Safety Officer and establish that the following are in place:

- (a) Injury illness prevention plan
- (b) Bloodborne Pathogen training
- (c) Hazard Communication program
- (d) Emergency Plan
- (e) Documentation of Employee Safety Training Annual Safety Inspections

(8) Programmatic/Performance Audit

INSPIRE will prepare an annual performance report and shall provide all information necessary to demonstrate that INSPIRE is pursuing adequately and/or meeting the applicable accountability standards described in the ESSA. The report shall also include: an analysis of whether student performance is meeting the goals specified in the Charter, using data displayed on a school-wide basis and disaggregated by major racial and ethnic categories to the extent feasible without compromising student confidentiality; a review of the progress toward the goals included in the charter and INSPIRE'S Local Control Accountability Plan, an assessment of the effectiveness of the specific actions described in the charter and LCAP toward achieving the goals, and a description of changes to the specific actions the charter school will make as a result of the review and assessment; an overview of INSPIRE' s admissions practices during the year and data regarding the numbers of students enrolled and the number on waiting lists; an analysis of the effectiveness of INSPIRE's internal and external dispute mechanisms and data on the number and resolution of disputes and complaints. The performance audit shall be provided to CUSD by

October 1 of each year.

(9) Instructional Materials

INSPIRE shall provide a list of core instructional materials by grade and content annually, no later than two weeks prior to the commencement of each school year.

(10) Other

INSPIRE shall provide such other documents, data and reports as may be reasonably requested or required by CUSD.

- e. Data required to be submitted pursuant to this Section shall be submitted in electronic form if requested by CUSD.
- f. INSPIRE shall comply with Generally Accepted Accounting Principles (GAAP) applicable to public school finance and fiscal management. INSPIRE shall maintain a minimum reserve for economic uncertainties (designated fund balance) in an amount of 4% of budgeted expenditures at each reporting cycle identified in Education Code Section 47604.33.

E. Fees

By mutual agreement CUSD and INSPIRE agree that INSPIRE will pay for said services via the Cost Allocation Methodologies noted below. Please note, these costs are generated in support of all schools in the Chico Unified School District and represent a standard level of service across all schools. Requests for additional services by INSPIRE beyond the standard level of services which increases costs shall be discussed and considered by both parties. CUSD retains the right to establish the level of service and increase or decrease costs accordingly:

Other Cost Sharing Services:

- 1) Custodial Services
  - Inspire will reimburse CUSD for 1.5 hours per day of a custodian who assists with cafeteria cleanup due to Inspire students attending the lunch program at Chico High School..
- 2) Utilities — Water & garbage
  - Cost Allocation Methodology for Utilities = Annual cost of water & garbage / Total Square Feet
- 3) Campus Supervision - Staffing
  - Cost Allocation Methodology for Campus Supervision = per ADA
- 4) ISS program
  - Inspire's share of the cost associated with the ISS program for 2019-20 will be \$2,640 plus the ADA generated by the Inspire students when

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enrolled in the ISS program (based on percentage of usage using a 2-year average of total suspension days).

6) Oversight Fees. Charter School shall pay the District three percent (3%) of Charter School LCFF revenues to cover the actual cost of oversight. "Charter School revenue "shall be defined in accordance with Education Code section 47613. The District will deduct this amount monthly from the calculated in-lieu property tax revenue.

F. Special Education Services

1. Charter School will assume the status of a local educational agency as a member of a special education local plan area (SELPA) under Education Code section 47641(a). Charter School will be exclusively responsible for providing its students services in compliance with the Individuals with Disabilities Education Act and Education Code during the term of this agreement, including but not limited to the following:
  - a. Identifying and referring students who have or may have exceptional needs that qualify them to receive services under the Individuals with Disabilities Education Act (IDEA).
  - b. Obtaining the cumulative files, prior and/or current Individualized Education Program (IEP) and other special education information on any student enrolling from another school.
  - c. Providing appropriate and timely interim placements for students who are new to the Charter School and who have IEPs.
  - d. Participating in the evaluation and assessment processes to make certain that the appropriate services and placements are provided on an individualized basis for every child with a disability.
  - e. Leading development of IEPs, case management of all IEPs, communicate plan for modifications and/or accommodations, work with teachers and stakeholders to implement student's IEPs.
  - f. Developing, maintaining and implementing policies and procedures to ensure that parents/guardians are fully informed of their rights to a mediation conference, request a due process hearing, file a compliance complaint, or initiate a civil action.
  - g. Hiring, supervising, evaluating and managing all employees delivering special education and related services to students.
  - h. Notifying and cooperating fully with the District, in its capacity as charter authorizer, in the processing of hearings and complaints, as well as any

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problems encountered by the student while in the placement.

- i. Following all requirements imposed by State and Federal law in any disciplinary proceedings involving a student with a disability.
  - j. If legal representation is required, the Charter School shall be responsible for all legal costs, including but not limited to the cost of the attorney.
  - k. Charter School shall bear sole and exclusive responsibility for complying with all SELPA procedures and policies.
2. Referral: Charter School staff shall be trained as needed by CUSD to identify students who may have exceptional needs and a Student Study Team will determine whether alternative interventions in the regular school setting will appropriately serve the needs of the student. Charter School shall make any necessary referrals of students who are believed to be eligible for special education and related services. Charter School shall notify CUSD of any referrals.
  3. Section 504 Services: Charter School agrees to implement a Student Study Team, a regular education function, to monitor and guide referrals for Section 504 Services. Charter School will develop, maintain and implement policies and procedures to ensure identification of students who may require Section 504 accommodation(s). Unless otherwise agreed between the parties, all aspects of Section 504 compliance will be the sole responsibility of Charter School.
  4. Placement The IEP team shall have primary responsibility for determining the most appropriate placements and services for students with exceptional needs in accord with applicable laws. All services shall be delivered in the least restrictive environment and shall be consistent with Charter School's instructional philosophy, mission, charter and program, but only to the extent consistent and in compliance with the requirements of applicable law.

G. Section 504 of the Rehabilitation Act of 1973

1. Charter School shall be solely responsible for its compliance with Section 504 of the Rehabilitation Act of 1973 ("Section 504"). Charter School recognizes its sole legal responsibility to ensure that no qualified person with a disability shall, on the basis of the disability, be excluded from participation, be denied the benefits of, or otherwise be subjected to discrimination under any program of Charter School. Any student who has an objectively identified disability which substantially limits a major life activity such as learning is eligible for accommodation by Charter School
2. Charter School shall adopt a Section 504 policy, procedure and forms.

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3. By September 1 of each year, Charter School shall designate a Charter School employee responsible for Section 504 compliance and notify the District's Director of Special Education in writing of the responsible individual. The designated Charter School employee shall notify the District's Director of Special Education anytime a student eligible under Section 504 withdraws from Charter School, including notice of the school in which the student enrolled in following withdrawal from Charter School and the student's district of residence.
  
4. In the case of pending student discipline of an eligible student who receives Section 504 accommodations, Charter School will ensure that it follows procedures to comply with the mandates of State and Federal laws for considering disciplinary action against disabled students. Prior to recommending expulsion of a Section 504 student, Charter School will convene a review committee to determine whether the student's misconduct was a manifestation of his or her disability, whether the student was appropriately placed and receiving the appropriate services at the time of the misconduct, and/or whether behavior intervention strategies were in effect and consistent with the student's Section 504 plan. Charter School may proceed with an expulsion only if it is determined that the student's misconduct was not a manifestation of his/her disability, that the student was appropriately placed and was receiving appropriate services at the time of the misconduct, and that the behavior intervention strategies were in effect and consistent with the student's Section 504 plan. Charter School acknowledges and understands that it shall be solely responsible for such compliance.

## H. Insurance

### 1. General & Excess Liability

Inspire, at its expense, shall procure and maintain throughout the term of this Agreement General Liability insurance with a minimum per occurrence limit of \$15,000,000 and the deductible/self-insurance retention shall not exceed \$10,000. Insurance shall include coverage for claims against INSPIRE, its elected or appointed officials, employees, agents, volunteers and students (interns while acting on behalf of INSPIRE) arising out of errors and omissions, abuse and molestation, and employment practices liability. The policy or policies shall name as additional insured/additional covered party CUSD, its elected or appointed officials, employees, agents and volunteers. The policy or policies shall provide that this insurance shall be primary with respect to any liability or claimed liability arising out of the performance or activities by INSPIRE under this Agreement or INSPIRE's use of the Premises, and that any insurance procured by CUSD, its elected or appointed officials, employees, agents and volunteers shall be excess and shall not be called upon to contribute until the limits of the insurance provided hereunder shall be exhausted. CUSD is not responsible for personal property losses suffered by INSPIRE, its elected or appointed officials, employees, agents, volunteers or students.

### 2. Automobile Liability

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INSPIRE shall maintain automobile liability insurance, including non-owned and hired coverage with a minimum per accident limit of \$15,000,000 for any injuries to persons (including death therefrom) and property damage in connection with the INSPIRE's activities under this Agreement.

3. Property Insurance CUSD shall maintain, for the duration of this Agreement, all-risk real property coverage adequate to cover the replacement cost of all buildings on the Premises and those other facilities to which INSPIRE may have access under this Agreement. INSPIRE shall be solely responsible for obtaining adequate personal property or contents insurance for INSPIRE's personal property located on the Premises or elsewhere. In addition, INSPIRE is solely responsible for their building improvements. CUSD shall be solely responsible for obtaining adequate personal property or contents insurance for CUSD's personal property located on the Premises or elsewhere.

4. Workers' Compensation

INSPIRE is to procure and maintain, for the duration of this Agreement, Workers' Compensation insurance against claims for injuries to the INSPIRE's employees in accordance with such insurance as required by the State of California Labor Code and Employers Liability coverage.

5. Proof of Insurance

INSPIRE shall furnish CUSD with original certificates and amendatory endorsements affecting coverage required by this Agreement and naming CUSD, its elected or appointed officials, employees, agents and volunteers, as additional insureds. All certificates and endorsements are to be received and approved by CUSD before commencement of any activities under this Agreement. However, failure to do so shall not operate as a waiver of these insurance requirements CUSD reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by this Agreement at any time.

I. Human Resources Management

1. All staff working at INSPIRE are employees of INSPIRE. INSPIRE shall have sole responsibility for employment, management, salary, benefits, dismissal and discipline of its employees.

2. INSPIRE will be considered the public school employer pursuant to the Educational Employment Relations Act.

3. INSPIRE agrees to comply with applicable federal statutory and regulatory requirements for highly qualified teachers and paraprofessionals used for instructional support as set forth in ESSA.

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J. Educational Program

1. Subject to CUSD oversight and compliance with its Charter and applicable state and federal law, including, without limitation, ESSA, IDEA, state law on the education of students with disabilities, state law on the LCAP requirements, and Section 504, INSPIRE is autonomous for the purposes of, among other things, deciding INSPIRE's educational program with the understanding that the educational program shall comply with the Charter.

2. INSPIRE's calendar and daily agenda shall be submitted annually to CUSD for review.. Any calendar changes will be provided to CUSD prior to the beginning of a new school year.

K. Facilities

INSPIRE shall comply with Education Code Section 47610 and 47610.5 by utilizing facilities that are compliant with the Field Act, facilities that are compliant with the State Building Code, or a facility that is exclusively owned or controlled by an entity that is not subject to the California Building Standards Code, including, but not limited to, the federal government. The facilities shall meet the requirements of the Americans with Disabilities Act and shall be approved by the local fire marshal for the use intended. INSPIRE agrees to allow testing sprinkler systems, fire extinguishers, and fire alarms annually at its facilities to ensure that they are maintained in an operable condition at all times. INSPIRE shall conduct fire drills as required by California Education Code 32001 and shall maintain records of such drills. INSPIRE shall not establish more than one site or facility without seeking material revision of its Charter document from CUSD's Board. As long as INSPIRE remains an direct funded charter under the auspices of CUSD with an agreed upon, standardized percentage fee paid to CUSD, the district will provide facilities to INSPIRE based on yearly enrollment projections and staffing ratios under the payment schedule set forth in section E of this Agreement. A separate, annual agreement will be required for utilization of said facilities.

L. Renewal

If INSPIRE intends to apply for a renewal of its charter, it must submit its petition no later than six (6) months in advance of the end of its current term. INSPIRE must satisfy all applicable legal criteria for renewal with respect to its academic performance, fiscal condition, and other applicable areas of operation, in order to be renewed.

M. Response to Requests

Pursuant to Education Code Section 47604.3, INSPIRE shall respond promptly to all reasonable written requests of CUSD.

N. Legal Counsel

INSPIRE shall retain the right to use its own legal counsel and will be responsible

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for procuring such counsel and associated costs.

O. Enrollment of Expelled Students

Neither INSPIRE nor CUSD shall be obligated to accept enrollment of any student who has been expelled from the other entity during the term of the expulsion except as may be required by federal or state law.

P. Provision of Documents

With both parties understanding that some state, federal and county documents directed toward INSPIRE may be mailed to CUSD, CUSD agrees to pass on such documents and forms to INSPIRE in a timely manner, so it may complete its legal obligations. INSPIRE has full responsibility for the forms and documents it receives directly and those which it must access on the internet on its own.

Q. Non-Assignment

Neither party shall assign its rights, duties or privileges under this Agreement, nor shall either party attempt to confer any of its rights, duties or privileges under this Agreement on any third party, without the written consent of the other party.

R. Severability

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

S. Reimbursement of Mandated Costs

INSPIRE shall seek reimbursements of its mandated costs, if any, directly from the State.

This represents the full and final agreement between INSPIRE and CUSD and shall only be modified in writing by the mutual agreement of the parties.

Dated: 10/7/19

Kristine Keene  
Kristine Keene, Director, State and Federal Programs  
Chico Unified School District

Dated: 9/9/19

Dan La Bar  
Dan La Bar, Principal/Superintendent  
Inspire School of the Arts and Sciences

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