

Date of Board Approval July 30, 2013

**CHARTER SCHOOL CONTRACT
BETWEEN
THE MILWAUKEE BOARD OF SCHOOL DIRECTORS
AND
HMONG AMERICAN PEACE ACADEMY (K-12)**

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**CHARTER SCHOOL CONTRACT
BETWEEN
THE MILWAUKEE BOARD OF SCHOOL DIRECTORS
AND
HMONG AMERICAN PEACE ACADEMY**

THIS CONTRACT made by and between the Milwaukee Board of School Directors, (hereinafter, Board), 5225 West Vliet Street, P.O. Box 2181, Milwaukee, Wisconsin, 53201-2181, and Hmong American Peace Academy (hereinafter, Charter School), 4601 North 84th Street, Milwaukee, WI 53225.

WHEREAS, The Board is authorized to establish Milwaukee Public Schools (MPS) charter schools under the Wisconsin Charter School Law, Wis. Stat. § 118.40; and

WHEREAS, On April 27, 1999, the Board adopted Administrative Policy 9.12 and Administrative Procedure 9.12 relating to the establishment of MPS charter schools under Wis. Stat. § 118.40 and creating an MPS Charter Schools Review Panel (CSRP) to review, evaluate and make recommendations to the Board with regard to petitions and proposals to establish MPS charter schools; and

WHEREAS, One of the methods by which the Board may lawfully establish a charter school is set forth in Wis. Stat. § 118.40(2m), which provides that the Board may enter into a contract with a person based upon the Board's own initiative to establish a charter school; and

WHEREAS, In an effort to facilitate the establishment of MPS charter schools based on the Board's own initiative, Administrative Policy 9.12 and Administrative Procedure 9.12 provide that the Board may seek and consider proposals from parents, educators, community groups, nonprofit organizations, individuals, and combinations of such entities who would like to operate an MPS charter school; and

WHEREAS, The Board received a proposal from Hmong American Peace Academy that contained all of the provisions contained in Wis. Stat. § 118.40(1m)(b) as required by Administrative Policy 9.12 and Administrative Procedure 9.12; and

WHEREAS, The proposal received from Hmong American Peace Academy proposes the establishment of an MPS charter school to be called Hmong American Peace Academy that would not be an instrumentality of MPS; and

WHEREAS, The CSRP reviewed and evaluated the proposal and recommended to the Board that Hmong American Peace Academy be established as an MPS charter school; and

WHEREAS, Wis. Stat. § 118.40(2m) requires that the Board hold a public hearing on a contract that would establish a charter school that is not an instrumentality of MPS at least 30 days before entering in the contract; and

WHEREAS, The Board held a public hearing on January 13, 2003 to consider the proposal, taking into account the level of employee and parental support for the establishment of the charter school described in the proposal and the fiscal impact on MPS of granting the proposal; and

WHEREAS, The Board on January 30, 2003, after the public hearing, granted the proposal to establish Hmong American Peace Academy as an MPS charter school; and

WHEREAS, The Board on February 23, 2004 approved the Contract thereby establishing Hmong American Peace Academy Charter School; and

WHEREAS, The Board on May 29, 2008 voted to approve a five-year Contract beginning on the first regularly scheduled day of the 2008-2009 school year and ending on the last regularly scheduled day of the 2012-2013 school year; and

WHEREAS, The Board on February 28, 2013 directed the MPS Office of Contracted School Services, in consultation with the Board's designee and the Milwaukee City Attorney's Office, to attempt to negotiate and draft a contract to begin on the first regularly scheduled day of the 2013-2014 school year and ending on the last regularly scheduled day of the 2017-2018 school year with Hmong American Peace Academy; and

WHEREAS, Any reference in this Contract or Appendices to "principal" includes "school leader"; and

WHEREAS, This document represents the contract that has been negotiated and drafted and that contains all of the provisions required by Wis. Stat. § 118.40(1m)(b)1-15, as well as additional provisions; and

WHEREAS, the Board on July 30, 2013 approved this Contract and authorized the Board President and the Superintendent to execute this Contract under the following terms and conditions:

I. CHARTER SCHOOL RESPONSIBILITIES:

A. The name of the person who is seeking to establish Charter School.

In accordance with Wis. Stat. § 118.40(2m) and Administrative Policy 9.12 and Administrative Procedure 9.12, the Board is entering into this Contract on its own initiative to establish an MPS Charter School, having considered the proposal submitted by Jay Xiong.

B. The name of the person who will be in charge of Charter School and the manner in which administrative services will be provided.

Chris Her-Xiong or his/her successor, the person named in the Charter School proposal (kept on file in the MPS Office of Contracted School Services and incorporated herein by reference as

Appendix A) shall be in charge of Charter School. The manner in which administrative services will be provided shall be in accordance with Appendix A.

Charter School shall notify MPS of the name of any proposed replacement for the position of school leader. No school leader shall be appointed without the mutual agreement with MPS.

C. A description of the educational program of the school.

Charter School shall provide the educational program set forth in Appendix A. Charter School shall ensure that all classrooms are equipped with all materials, equipment and supplies required to provide the educational program set forth in Appendix A.

Charter School shall be exempt from MPS policies and procedures and Chapters 115 through 121 of the Wisconsin Statutes, except as otherwise explicitly provided by law or charter school contract. Charter School shall comply with any MPS policies, procedures and requirements included in Appendix B by the Board during the term of this Contract. MPS shall notify Charter School of any proposed revisions to the policies included under Appendix B and Charter School shall have the opportunity to negotiate the application of these revisions to the Charter School.

Neither the Board nor the MPS administration shall operate the educational programs or make policy, rules or procedures that directly affect the operation of the educational programs at Charter School, except as explicitly provided in MPS Administrative Policy 9.12: Charter Schools, and the charter school contract.

In the event Charter School wishes to change the educational program as identified in Appendix A, Charter School shall negotiate a contract amendment.

D. The methods the Charter School will use to enable pupils to attain the educational goals under Wis. Stat. § 118.01.

Charter School shall use the methods of instruction described in Appendix A to enable pupils to attain the educational goals listed in Wis. Stat. § 118.01. Charter School shall immediately notify MPS in the event a significant change in the methods of instruction is contemplated.

E. The method by which pupil progress in attaining the educational goals under Wis. Stat. § 118.01 will be measured.

Charter School shall use the following local measures, assessments and standardized tests to measure pupil progress under Wis. Stat. § 118.01:

- PERFORMANCE INDICATORS AND PROMOTION/GRADUATION REQUIREMENTS

Charter School shall, at a minimum, follow the promotion and graduation measures non-contracted identified in Appendix A. Charter School shall issue diplomas consistent with the attainment of the graduation measures as identified in Appendix A. Charter School explicitly

agrees to comply with the accountability and assessment provisions in accordance with state and federal Adequate Yearly Progress (AYP) requirements as contained in No Child Left Behind Act, 20 U.S.C. § 6301 *et seq.*

If Charter School chooses to implement an assessment plan that includes unique local learning or performance standards and additional assessments to measure pupil achievement, the standards must be measurable and assessed annually and the assessment results must indicate if a pupil Meets or Does Not Meet the standard(s). In addition, Charter School shall document the growth and trend data for pupil performance as related to the standard(s). Charter School's decision to implement unique standards and assessments shall not affect Charter School's obligation to comply with the Wisconsin Model Academic Standards, the Common Core Standards, federal, state, and district assessment measures.

Charter School may: (1) define the local curricular, learning or performance goals and the methods employed for determining pupil growth at Charter School; (2) establish a method for determining the baseline of pupil performance against which pupil achievement and growth will be measured; and (3) define the method for determining whether or not these goals have been met. Charter School may report all such data regarding local performance indicators in their annual pupil academic achievement report.

Charter School shall annually administer at each grade level all district-wide assessments as described in Appendix A in the same manner and time-frame as the MPS non-contracted schools.

Charter School shall annually administer the Wisconsin Knowledge and Concepts Exam – Criterion Referenced Test (WKCE-CRT) as well as the Wisconsin Alternate Assessment (WAA) for eligible students with special needs and for eligible English Language Learners (ELLs) in the same manner, time frame, and at the same grade levels as required by the Wisconsin Department of Public Instruction (DPI).

Charter School shall, at a minimum, report the results of mandated assessments in the same format as MPS non-contracted schools. Assessments shall be administered and reported in accordance with the MPS Annual Assessment Calendar attached hereto as Appendix C and incorporated herein by reference for each school year of this Contract.

All pupils will be included in the assessment process, with reasonable accommodations for pupils being made if necessary. Charter School shall include children with disabilities and ELLs in all federal, state, district, and local educational assessments, with appropriate modifications where necessary, or in alternative assessments for those children who cannot participate in federal, statewide, district-wide or required local educational agency-wide assessments.

Charter School shall pay all costs associated with assessments administered to Charter School's pupils. Such costs shall not exceed the rate paid for such assessments administered by non-contracted MPS schools. The only exception to this obligation to pay for costs is for federal or state-required tests that are supplied at no cost to public schools.

Charter School shall develop and submit an annual pupil academic achievement report to MPS within 30 days of the receipt of the data. Such academic achievement report shall, at a minimum, include all related school assessment data, in the format provided by MPS, for each of the following applicable performance criteria.

1. Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin Knowledge and Concepts Exam – Criterion Referenced Test (WKCE-CRT) in reading that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools; and
2. Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin Knowledge and Concepts Exam – Criterion Referenced Test (WKCE-CRT) in mathematics that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools; and
3. Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin Knowledge and Concepts Exam – Criterion Referenced Test (WKCE-CRT) in English/language arts that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools; and
4. Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin Knowledge and Concepts Exam - Criterion Referenced Test (WKCE-CRT) in writing that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools; and
5. Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin Knowledge and Concepts Exam - Criterion Referenced Test (WKCE-CRT) in science that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools; and
6. Achieve a percentage of pupils in Charter School scoring proficient or advanced on the Wisconsin Knowledge and Concepts Exam - Criterion Referenced Test (WKCE-CRT) in social studies that is the same as, or higher than, the percentage of pupils scoring proficient or advanced in corresponding grades in all MPS schools; and
7. Demonstrate achievement growth using the MPS value-added data in reading and mathematics that is greater than, or equal to, the district-wide average pupil growth for pupils in corresponding grades in all MPS schools.
8. Using a DPI formula for comparison, Charter School shall achieve a high school graduation rate that is the same as, or higher than, the high school graduation rate in all MPS high schools.
9. Charter School shall demonstrate an increase in the percentage of students within a cohort meeting College and Career Readiness as they progress from the EXPLORE to the PLAN to the ACT, using the HAPA EPAS data as described in Appendix A.

10. At least 75% of tested grades will demonstrate an average achievement growth of one point or higher from beginning of school year to end of school year on the following exams: EXPLORE exam (9th grade), PLAN exam (10th grade) and the ACT exam (11th grade), using the HAPA EPAS data in reading as described in Appendix A.
11. At least 75% of tested grades will demonstrate an average achievement growth of one point or higher from beginning of school year to end of school year on the following exams: EXPLORE exam (9th grade), PLAN exam (10th grade) and the ACT exam (11th grade), using the HAPA EPAS data in language as described in Appendix A.
12. At least 75% of tested grades will demonstrate an average achievement growth of one point or higher from beginning of school year to end of school year on the following exams: EXPLORE exam (9th grade), PLAN exam (10th grade) and the ACT exam (11th grade), using the HAPA EPAS data in math as described in Appendix A.
13. At least 75% of tested grades will demonstrate an average achievement growth of one point or higher from beginning of school year to end of school year on the following exams: EXPLORE exam (9th grade), PLAN exam (10th grade) and the ACT exam (11th grade), using the HAPA EPAS data in science as described in Appendix A.

Listed above are 13 criteria. Some of the performance criteria listed above may not apply to Charter School because of the grade levels of the students served at Charter School. Charter School pupils shall be deemed by the Board to have made sufficient progress toward attaining the educational goals under Wis. Stat. § 118.01, or the academic performance criteria established by the Board, if Charter School meets at least 75% of the applicable performance items listed above that apply to Charter School.

In addition to the measures listed above, Charter School shall also meet the following applicable criteria:

14. Achieve an average daily attendance rate of pupils in Charter School that is the same as, or higher than, the average daily attendance rate of pupils in corresponding grades in all MPS schools; and
15. Achieve a mobility rate of pupils in Charter School (registered as of the September Third Friday Count) that is the same as, or lower than, the mobility rate of pupils in corresponding grades in all MPS schools; and
16. Achieve a percentage of pupils promoted from grades 4 and 8 in Charter School that is the same as, or higher than, the percentage of pupils being promoted from the corresponding grades in all MPS schools; and

Failure to meet criteria 14, 15 or 16 alone shall not be grounds for termination of this Contract, but upon request, Charter School shall provide MPS with its explanation of the cause of Charter School's failure to meet these criteria.

F. The governance structure of the school, including the method to be followed by the school to ensure parental involvement.

- INCORPORATION

Charter School is incorporated as a non-profit non-sectarian corporation in the State of Wisconsin and has received § 501(c)(3) tax exempt status from the Internal Revenue Service. Charter School shall immediately notify MPS in the event there is a change in Charter School's status. Board reserves the right to terminate this Contract under III.C.2. due to a change in status.

Charter School has submitted to Board the Articles of Incorporation attached hereto as Appendix D and the Bylaws of Charter School attached hereto as Appendix E. Charter School shall promptly provide MPS with a copy of any proposed amendment to Appendix D or E. Board reserves the right to terminate this Contract under III C.2. if it does not approve of any change which materially affects Charter School.

- GOVERNANCE STRUCTURE

Charter School shall provide a list of the names of the individuals serving on the governing body of Charter School to MPS.

Charter School shall be responsible for notifying MPS whenever the membership of the governing body of Charter School changes.

The governance structure of Charter School shall be that set forth in Appendix A, including provisions for autonomy related to policy, budget development, staffing and evaluation.

Charter School shall abide by its Articles of Incorporation and Bylaws. Charter School shall promptly provide MPS with a copy of any proposed amendment to Appendix D or E.

- PARENTAL INVOLVEMENT

Charter School shall employ the methods described in Appendix A to ensure parental involvement. Parental involvement shall be an integral component of Charter School.

- TITLE I REQUIREMENTS

If Charter School seeks Title I funding, Charter School shall comply with all of the rules and regulations applicable to that funding source, including completion of an educational plan and any other documentation required by Title I.

If Charter School is a School Identified for Improvement (SIFI) under "No Child Left Behind" (NCLB), Charter School shall implement and be financially responsible for any interventions/strategies required based upon the school's SIFI status.

G. Subject to Wis. Stat. §§ 118.40(7)(a), 118.19(1) and 121.02(1)(a)2. the qualifications that must be met by the individuals to be employed in the school.

Charter School shall not be an instrumentality of MPS and therefore, pursuant to Wis. Stat. § 118.40(7)(a), no personnel employed by Charter School shall be employed by the Board.

Charter School shall adhere to MPS' Administrative Policy 3.09(7)(a), regarding Livable Wage.

Charter School shall ensure that all instructional staff of Charter School hold a current and appropriate license or permit issued by the Wisconsin Department of Public Instruction (DPI) to teach assigned classes.

Charter School shall not enter into any contract or agreement with a third party for the operation or management of Charter School.

H. The procedures that the school will follow to ensure the health and safety of the pupils.

Charter School shall comply with all MPS policies included in Appendix B and all local, state and federal laws, codes, rules, and regulations that apply to public schools pertaining to health and safety. Charter School shall ensure that all of its pupils comply with Wisconsin immunization requirements.

Charter School shall provide safe and healthful facilities. The facilities shall comply with Wis. Stat. §§ 254.11-254.178 and any rule promulgated under those sections.

I. The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the school district school-age population.

Charter School shall use its best efforts to establish and maintain a racial and ethnic balance among its pupils. Charter School shall abide by its plan to welcome and recruit a student body diverse in race, language, economic status, and special education needs reflective of the school district population as referenced in Appendix A.

J. The requirements for admission to the school.

If Charter School imposes admissions requirements, those requirements shall be set forth with specificity in Appendix A and shall not be in conflict with Federal Charter School Program Requirements and shall not be modified except by mutual agreement. If Charter School does not have seats for all the students who apply during the application period(s), a random selection process (lottery) for enrollment shall be used.

Charter School shall maintain pupil database information on an MPS approved format in accordance with MPS administrative policies and procedures pertaining to each Charter School pupil, including, but not limited to the pupil's name, address, home phone number, place and date

of birth, parent(s) or guardian, immunization records, ethnic background, school of last attendance, number of siblings, and emergency contact.

In addition, unless Charter School has received a written exemption from MPS, Charter School shall maintain pupil database information on an MPS approved format and as required by MPS, including, but not limited to the update of official transcripts, promotion, graduation, credit detail, diploma, and pupil attendance data. If Charter School receives a written exemption, all transcripts must be accompanied by a translation. Charter School shall place in each pupil's cumulative folder copies of the final report card and official transcripts. Charter school shall fully comply with the law regarding the confidentiality of pupil records as provided for in 20 U.S.C. §1232g Family Education Rights and Privacy Act (FERPA) and its implementing regulations and Wis. Stat. § 118.125. Charter School shall also be subject to all MPS school records retention guidelines. Charter School shall comply with retention schedules set forth in Administrative Policy 8.42 on Student Records.

Charter School shall submit in Appendix A, a plan that describes the means by which Charter School will include pupils with special education needs, including pupils whose special education needs are other than speech and language only, in Charter School's pupil population. The MPS Division of Special Services shall review annually with Charter School the enrollment of children with disabilities. Charter School shall make a commitment to serve children with disabilities whether such children are currently or newly identified as children with disabilities.

Charter School, as a public school, shall, through its policies and procedures, comply with all of the requirements of the Individuals with Disabilities Education Act, 20 U.S.C. 1400 *et seq.* (IDEA), and Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, *et seq.* (sec. 504). Charter School shall provide a free appropriate public education (FAPE) to children with disabilities, including, but not limited to, identifying, evaluating, planning educational programs, and implementing placements in accordance with those Acts.

K. The manner in which annual audits of the financial and programmatic operations of the school will be performed.

• FINANCIAL MANAGEMENT AND AUDIT REQUIREMENTS

MPS shall have full access to all books and records upon reasonable notice during regular business hours throughout the calendar year.

Charter School shall operate and expend and account for funds in a manner consistent with the provisions of this Contract and the Charter School 2013-2014 Operating Budget attached hereto as Appendix F and incorporated herein by reference.

Subsequent annual operating budgets shall be submitted to MPS by June 1st of each year. Such annual operating budgets shall be comprehensive and shall use approved format guidelines. Charter School shall expend and account for funds in a manner consistent with the provisions of this Contract and the annual operating budget. All amendments to the annual budget shall be filed with MPS within 30 days from approval by Charter School of the amendment and shall not

become effective until 30 days after receipt by MPS of the amendment, or until approved by MPS, whichever comes first.

Annually, Charter School shall submit a balanced budget for the funds provided under this Contract. The budget shall be prepared in accordance with the prescribed format attached hereto as Appendix G and incorporated herein by reference and shall classify costs as instructional, instructional support, and noninstructional support costs.

Charter School shall expend and account for funds in a manner consistent with the provisions of this Contract, Appendix A and Appendix F. Charter School may make reasonable changes to budgeted categories of its Charter School Annual Budget set forth in Appendix F based on reasonable educational and/or policy determinations. MPS has the right to recoup money spent on expenditures not allowable under OMB. Charter School is responsible for all deficits and shall retain and carry over unexpended Board funds from one school year to the next.

Charter School shall expend and account for funds in accordance with the federal guidelines set forth in Office of Management and Budget OMB Circular(s), A21, A87 or A122 Circular.

When Charter School anticipates a revenue shortfall or deficit from operations, or upon request of MPS, Charter School shall submit within 30 days, to MPS, contingency plans for such revenue shortfalls. Plans to manage deficits or other contingencies must be explained. This plan shall include a cash flow budget in the MPS Charter School Budget Format for the remainder of the current fiscal year, if appropriate, and for the entire next fiscal year. MPS shall review this plan and budget for fair presentation and reasonableness. Charter School shall submit to MPS any plans to incur long-term debt, the funds to be used to repay the debt, and the schedule of any interest incurred from debt chargeable to funds received from MPS. MPS shall review this plan and schedule of repayment for fair presentation and reasonableness. Under no circumstances will this debt incur a liability to MPS.

Charter School shall maintain all financial records in compliance with state and federal guidelines and with Generally Accepted Accounting Principles and Standards. Financial records shall include, but not be limited to, invoices, payroll records, timesheets and receipts. Charter School shall grant MPS, or any authorized MPS representative, full access to all books, records, and documents of Charter School, upon reasonable notice during regular business hours throughout the calendar year, as well as the right to review Charter School's financial and audit records for a period up to three years following the expiration or termination of this Contract.

Charter School's financial system shall segregate and properly account for and report on the revenues received and expenditures incurred under this Contract. Charter School shall file with MPS a mid-year unaudited balance sheet and revenue/expense statement. The schedule of contract revenue expenses should be prepared in a format consistent with the approved budget in Appendix F by January 31st of each year during the term of this Contract. In the event there is a financial deficit, Charter School shall submit a narrative plan to address any potential deficit. Such mid-year unaudited balance sheet and revenue/expense statement shall cover the period of July 1 through December 31 of that contract year.

- ANNUAL FINANCIAL AUDIT

Charter School shall provide for an annual financial audit. Charter School shall use the following method:

Method 2

Charter School shall submit to MPS, within three months after the MPS fiscal year end, unless a written extension of time is granted by MPS, a complete set of audited financial statements, including Statement of Financial Position, Statement of Activities and Changes in Net Assets, and Statement of Cash Flows, together with full footnote disclosure prepared by an independent certified public accountant. The audit shall include a separate schedule detailing revenues and expenditures resulting from this Contract. The schedule of contract revenues and expenditures, and the auditor's opinion, shall be prepared in accordance with the approved MPS statement and opinion formats. The audit statements shall be prepared in accordance with generally accepted accounting principles and shall be prepared using full accrual accounting. The audit shall be conducted in accordance with generally accepted auditing standards and government auditing standards, issued by the Comptroller General of the United States. Notwithstanding any other provisions of this Contract, the Board reserves the right to terminate this Contract under paragraph III.C.4. should such auditor's opinions be anything other than unqualified.

Instructional, instructional support and noninstructional support cost classifications, for auditing purposes, shall be evaluated in accordance with the guidelines set forth in INSITE: Finance Analysis Model for Education attached hereto as Appendix H and incorporated herein by reference or mutually agreed upon guidelines.

Single audit reports, prepared in accordance with the provisions of the US Office of Management and Budget (OMB) Circular A-133, if applicable, must be submitted to MPS within three months of the MPS fiscal year end.

All management letters and all other reports of an independent auditor transmitting reportable conditions or advice to management must be submitted to MPS within 15 days of receipt.

For informational purposes, Charter School agrees to submit to MPS, within 15 days of receipt, any audit, review, compilation, management letter or report of reportable conditions prepared by an independent certified public accountant in response to any other publicly funded program and any audit issued by any other government agency.

MPS reserves the right to contact Charter School or its auditors, with written notice to the Charter School, to request additional information, analysis, or clarification of financial statement information.

- PERFORMANCE AUDIT REQUIREMENTS

Charter School shall provide for an annual performance audit. Charter School shall use the following method:

Method 2

Within 60 days after receipt of the academic achievement report data under this Contract, unless a written extension of time is granted by MPS, Charter School shall submit a report prepared by an independent certified public accountant, which report shall attest to the: a) accuracy, validity and reasonableness of academic achievement and programmatic results reported by Charter School to MPS; and b) Charter School's compliance with the financial, administrative, and performance provisions of this Contract. The attestation opinion shall be issued using the approved MPS format. The performance/compliance audit shall be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the MPS Minimum Audit Requirements. Additionally, the performance report shall provide a clear indication of whether Charter School met the academic performance criteria established by the Board. This performance information will be used in assessing any renewal options for a charter contract. The Board reserves the right to terminate this Contract upon receipt and review of the attestation report.

For every school year ending in an odd number, Charter School shall submit to MPS, an independent auditors' attestation opinion, which shall attest to pupil eligibility composition.

Additional audits may be conducted as required by federal and state financial assistance requirements and as identified in this Contract.

Charter School shall be responsible for the cost of all audits. Charter School is encouraged to explore possible cost saving options for all service functions, including audit services.

Charter School shall immediately report to MPS and the MPS Office of Board Governance any pending or threatened litigation, including administrative proceedings, alleging violation of any applicable local, state and federal laws, codes, rules, or regulations by Charter School, or by its agents, board members, officers, employees, volunteers, contractors, or subcontractors, where such alleged violations relate to the Charter School.

L. The procedures for disciplining pupils.

- DISCIPLINARY GUIDELINES

Charter School has opted to use the following disciplinary guidelines:

Option 1

Charter School shall adhere to the disciplinary guidelines adopted by MPS and shall comply with those guidelines as set forth in the MPS Parent/Student Handbook on

Rights, Responsibilities and Discipline, attached hereto as Appendix I and incorporated herein by reference.

Charter School shall contact the MPS Division of Student Services for the possible expulsion of any Charter School pupil. Charter School shall not expel any pupil except in accordance with Appendix I and applicable MPS policies and procedures. Charter School will be invoiced in the same manner as non-contracted MPS schools.

Charter School shall not discipline pupils protected under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, *et seq.* (sec. 504), the Individuals with Disabilities Education Act, 20 U.S.C. 1400 *et seq.* (IDEA), and the American with Disabilities Act, 42 U.S.C. 12101 *et seq.* (ADA) unless Charter School complies with the requirements of those Acts.

Wis. Stat. § 118.31, which prohibits corporal punishment of pupils, shall apply to Charter School. Wis. Stat. §§ 118.32 and 948.50, which prohibit a strip search of a pupil, shall apply to Charter School.

M. The public school alternatives for pupils who reside in the Charter School attendance area and do not wish to attend or are not admitted to Charter School.

As required by Wis. Stat. § 118.40(6): “Program voluntary. No pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents or legal guardian, if the pupil is a minor.” A pupil who is a resident of the City of Milwaukee, who does not choose to attend Charter School, may attend a school operated and managed by the Board in accordance with MPS Student Assignment Policies, as amended from time to time, so long as the pupil has not been expelled from school.

N. A description of the school facilities and the types and limits of the liability insurance that the school will carry.

• FACILITIES

Charter School shall ensure that the facility utilized to conduct its educational program during the term of this Contract shall be adequate to serve the pupil population identified in this Contract. Although Charter School may be located in a shared facility, Charter School shall have a unique identification number assigned by the DPI. The MPS Division of Facilities and Maintenance Services and MPS Benefits and Insurance Division shall view the facility prior to the commencement of the charter school educational program in the facility. Board reserves the right to terminate this Contract under paragraph III.C.2. if MPS does not approve the facilities in which the charter school educational program is to be conducted. The Board also reserves the right to terminate this Contract under paragraph.III.C.2. if Charter School does not complete, to the satisfaction of MPS, any modifications or repairs that may be deemed necessary by MPS.

Charter School shall assume full responsibility for the cost of providing and maintaining its facilities. Charter School shall comply with all local, state and federal laws, codes, rules, and

regulations pertaining to health and safety that apply to public schools in cities of the first class. Specifically, Charter School shall comply with the following MPS Facilities Standards:

1. Charter School shall obtain an occupancy permit for school usage, to provide the educational program under this Contract, prior to the first day of pupil attendance. Failure to obtain the necessary permit by that date shall result in termination of this Contract and MPS shall have the absolute and unqualified right to recover any and all funds that may have been advanced to Charter School under this Contract.
2. Charter School shall comply with all local, state and federal laws, codes, rules, and regulations pertaining to asbestos that apply to public schools, including but not limited to, the completion of an Asbestos Hazard Emergency Response Inspection and Management Plan prior to the first day of pupil attendance. Failure to complete and obtain MPS approval of an Asbestos Hazard Emergency Response Inspection and Management Plan by that date shall result in termination of this Contract and MPS shall have the absolute and unqualified right to recover any and all funds that may have been advanced to Charter School under this Contract. MPS requires a minimum of two weeks for review of final documents. Upon completion of the management plan, Charter School shall take immediate steps to implement that management plan.
3. Charter School shall obtain MPS approval for any facility modification, major repair, or any other activity that may disturb or impact facility asbestos or the Asbestos Hazard Emergency Response Management Plan, prior to the initiation of such activity.

In the event Charter School anticipates relocating its school from its facility, Charter School shall notify MPS in writing at least 30 days prior to the anticipated relocation. Charter School shall ensure that any new facility meets all of the safety codes and standards required under this Contract, including, but not limited to, the occupancy permit referred to in this section, in accordance with applicable timelines. The MPS Division of Facilities and Maintenance Services shall view any new facility. The Board reserves the right to terminate this Contract under paragraph III.C.2. if MPS does not approve the facilities in which the charter school educational program is to be relocated. The Board also reserves the right to terminate this Contract under paragraph III.C.2. if Charter School does not complete, to the satisfaction of MPS, any modifications or repairs that may be deemed necessary by MPS.

- INDEMNIFICATION

Charter School shall be required to defend, indemnify and hold harmless MPS, its agents, board members, officers, and employees (the "Indemnitee") from and against any and all actual or alleged claims, demands, actions, causes of action, damages and claims of any kind, including but not limited to, bodily injuries, personal injuries, contingent liabilities or damages and reasonable attorney fees, arising out of or in any way related to or associated with or arising from the services rendered under this Contract or the operation of the charter school educational

program, that are or may be brought or maintained by any individual or entity against the Indemnatee.

This indemnification obligation shall not be reduced in any way by the existence or non-existence, limitation, amount or type of damages, compensation or benefits payable under workers' compensation laws or other insurance provisions. Under no circumstances is the Indemnatee's recovery limited due to the fact that MPS is named as an additional insured under any of Charter School's insurance policies. Charter School agrees to accept tender of the defense of any claim or action against MPS falling within the scope of this indemnity.

- INSURANCE

Charter School shall provide to MPS copies of any insurance notices of cancellation, or non-renewal or material change in renewal term and conditions.

Charter School understands and agrees that financial responsibility for claims or damages to any person, or to Charter School's employees and agents, shall rest with Charter School. Charter School shall effect and maintain any insurance coverage, including, but not limited to Workers' Compensation, Employer's Liability, Commercial General Liability, Contractual Liability, Automobile Liability, and Umbrella Liability to support such financial obligations.

The Board is to be named as an additional insured by separate endorsement under all of the following insurance coverage policies with the exception of Workers' Compensation.

A certificate of insurance acceptable to MPS evidencing the aforementioned insurance requirements is to be provided to the appropriate MPS administrator. Certification is to be provided on the certificate of insurance with separate letter from the insurance agent or broker that there are no exclusions, sub-limits, or restrictions in coverage as noted in paragraph I (N). The certificate of insurance or policies of insurance evidencing all coverages shall include a statement that MPS shall be afforded a thirty (30) day written notice of cancellation, non-renewal or material change by any of Charter School's insurers providing the coverage required by MPS for the duration of this Contract. Insurance companies must be acceptable to MPS and must have a current A.M. Best rating of A-or better.

All certificates of insurance are to be provided to MPS within 30 days of final execution of this Contract. If Charter School does not comply with this provision of this Contract, the Board has the authority to declare this Contract terminated in accordance with the provisions of paragraph III. C. 2.

The minimum limits of insurance that MPS requires from the Charter School shall be:

	Workers' Compensation	
Workers' Compensation		Statutory Coverage
	Employer's Liability Limits	
Bodily Injury by Accident		\$100,000 each accident

HAPA Non-Instrumentality Charter Contract

Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

Workers' Compensation at Statutory limits and Employer's Liability at \$100,000 per occurrence or sufficient limits to meet Umbrella underlying insurance requirements. Coverage shall be modified to include a Waiver of subrogation Endorsement in favor of Milwaukee Public Schools including its directors, officers, agents, employees and volunteers.

Commercial General Liability

Commercial General Liability	\$1,000,000 per occurrence/
General Aggregate	\$2,000,000
Personal & Advertising Injury Limit	\$1,000,000
Products - Completed Operations	Aggregate \$2,000,000
Medical Expense	\$5,000

Commercial General Liability shall be on an occurrence form covering the risks associated or arising out of the services provided under this Contract. This insurance is not to have any exclusions, sub-limits, or restrictions as respects coverage for sexual abuse and molestation, corporal punishment, athletic events, and use of gymnasium equipment.

Auto Liability

Combined Single Limit	\$1,000,000 each accident
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Business Auto Liability insurance including, but not limited to, Uninsured Motorists, Underinsured Motorists, and contractual liability for risks assumed in this Contract covering the use of any vehicle in an amount not less than \$1,000,000 per accident. (Verification of this coverage is needed only if vehicles will be used while providing services under this Contract).

Umbrella (excess) Liability

Umbrella (excess) Liability	\$4,000,000 per occurrence/\$4,000,000 aggregate
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The Umbrella Liability insurance shall provide excess employer's liability, commercial general liability and auto liability coverage.

Fidelity Bond/Crime Insurance

Fidelity Bond/Crime Insurance	50% of the Value of this Contract
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Crime Insurance, in the form of either a Commercial Crime Policy or Financial Institution Bond, providing coverage for Employee Dishonesty, On Premises, In Transit (Theft Disappearance and Destruction Coverage Form and Robbery and Safe Burglary Coverage Form), Forgery/Alteration, Computer and Funds Transfer Fraud shall be carried for fifty percent (50%) of the value of this Contract. Such insurance may be

written with a deductible; however, such deductible shall not exceed \$10,000. The Milwaukee Board of School Directors (Board or MPS) shall be named as loss payee with respect to losses involving property or funds provided under this contract by MPS. This policy is to cover all employees, officers, and board members of Charter School and all of the Charter School's contractors or subcontractors handling money, securities or other property of the Charter School. Proof of such coverage shall be provided to MPS prior to payment becoming due under paragraph II.B.I.

**** School Leader's Errors & Omissions**

Limit per occurrence	\$1,000,000
Aggregate Limit	\$2,000,000

*** Director's and Officers insurance may be used in lieu of School Leader's E&O provided that the Insurance Company shows proof that all employees and volunteers are protected by the coverage.*

All policies, with the exception of the School Leader's Errors & Omissions policy, shall be written on an occurrence form.

O. The effect of the establishment of Charter School on the liability of the MPS Board.

Nothing contained herein shall be deemed to render Charter School and Board as joint ventures or partners of each other, and neither shall have the power to bind or obligate the other, except in accordance with the terms of this Contract.

As between Charter School and Board, there shall be no liability on the part of Board on account of the establishment or operation of Charter School.

No agent, board member, officer, employee, volunteer, contractor or subcontractor of Charter School shall, by virtue of their association with Charter School, be deemed an agent, board member, officer, employee, volunteer, contractor or subcontractor of Board for any purposes whatsoever.

Charter School shall adhere to all applicable local, state and federal laws, codes, rules, and regulations.

Charter School shall develop and provide to MPS a code of ethics and employee rules of conduct for employees and its governing body.

P. Nonsectarian.

Charter School shall be nonsectarian in its programs, admissions policies, employment practices and all other operations.

Q. Pupil tuition and fees.

Charter School shall not charge tuition for any pupil attending Charter School under this Contract.

Charter School may operate a Before and After-School Program or a day-care program and may charge fees for children participating in those programs, except where prohibited by law.

If Charter School establishes a pupil uniform policy, it must be consistent with state and federal law applicable to public schools, but in no event shall Charter School profit from the sale of uniforms to pupils.

Charter School may assess pupil activity fees under the same circumstances and under the same regulations that apply to all public school pupils. Charter School may not prohibit an eligible pupil from attending Charter School under this Contract, expel or otherwise discipline the pupil, or withhold or reduce the pupil's grades because the pupil or the pupil's family cannot pay, or has not paid, fees permissibly charged under this paragraph. Specifically, Charter School shall not charge fees for any of the following:

1. Instruction or registration.
2. Initial issuance of books.
3. Teacher Salary.
4. Buildings, maintenance or equipment.
5. Courses credited for graduation.
6. IEP special education and/or related services.
7. Transportation to and/or from school programs

R. Nondiscrimination and Statutory Requirements.

Charter School shall not discriminate in admissions or deny participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional or learning disability, homeless or migrant status. Charter School shall ensure that all requirements of the McKinney-Vento Homeless Assistance Improvements Act of 2001, 42 U.S.C. §11431 *et seq.*, are met.

Charter School shall not discriminate against any qualified employee or qualified applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status or sexual orientation. Charter School shall require all subcontractors with whom Charter School contracts to comply with this same nondiscrimination in employment provision and shall require a similar provision to be included in all subcontracts.

Charter School shall comply with all local, state and federal laws, codes, rules, and regulations applicable to public Charter Schools including, but not limited to, the following:

1. 42 U.S.C. §2000d *et seq.*, Title VI of the Civil Rights Act of 1964 (prohibiting discrimination on the basis of race, national origin, and color); and
2. 20 U.S.C. §1681 *et seq.*, Title IX of the Education Amendments of 1972 (prohibiting discrimination on the basis of sex); and

3. 42 U.S.C. §6101 *et seq.*, the Age Discrimination Act of 1975 (prohibiting discrimination on the basis of age); and
4. 29 U.S.C. §794 *et seq.*, Sec. 504 of the Rehabilitation Act of 1973 (prohibiting discrimination on the basis of handicap) and 42 U.S.C. §12101, *et seq.*, the Americans with Disabilities Act; and
5. 20 U.S.C. §1232g, Family Education Rights and Privacy Act (FERPA) (regarding protection of pupil records), and Wis. Stat. §118.125; and
6. 20 U.S.C. §3171 *et seq.*, The Drug-Free School and Communities Act of 1986; and
7. 20 U.S.C. §1400 *et seq.*, Individuals with Disabilities Education Act (IDEA); and
8. 29 U.S.C. §626 *et seq.*, Age Discrimination in Employment Act, Older Worker Benefits Protection Act of 1990; and
9. 29 U.S.C. §201 *et seq.*, Fair Labor Standards Act; and
10. 29 U.S.C. §2601 *et seq.*, Family and Medical Leave Act; and
11. 15 U.S.C. §2641 *et seq.*, Asbestos Hazard Emergency Response Act (AHERA); and
12. 20 U.S.C. §6301 *et seq.*, No Child Left Behind Act (NCLB); and
13. 42 U.S.C. §11431 *et seq.*, McKinney-Vento Homeless Assistance Improvements Act of 2001; and
14. All federal and state constitutional guarantees protecting the rights and liberties of individuals, including the right to freedom of religion, expression and association, the right to be free from unreasonable searches and seizures, and the right to equal protection and due process.

S. Background screening.

Charter School shall perform background screening through the MPS Department of Human Resources on all Charter School full and part-time employees and volunteers. Charter school shall not allow any employee or volunteer to have contact with pupils until Charter School, in consultation with the MPS Department of Human Resources, investigates and determines that there is nothing in the background of the employee or the volunteer which would render the employee or volunteer unfit to have contact with pupils of Charter School, including, but not limited to, conviction of a criminal offense or pending charges which substantially relate to the duties and responsibilities assigned to the employee and/or volunteer.

For purposes of this Contract, volunteer means a non-paid person who serves under the supervision of Charter School and who provides services on a regular and ongoing basis or for more than five hours a week. It does not apply to those parents and/or other adults who are one-time volunteers for field trips or other one-time only activities in Charter School.

Charter School shall obtain the social security number of all individuals who are volunteers having contact with Charter School pupils or individuals who are employed by Charter School on either a full or part-time basis. Such social security numbers shall be retained by Charter School and shall be provided to MPS upon request.

Charter School shall pay for costs incurred by the MPS Department of Human Resources in performing these functions for Charter School. Such costs, as determined by the Board, shall be included in the administrative fee under paragraph I.W.

T. Right to inspect and receive requested information and reports.

Charter School agrees to abide by the Wisconsin Public Records Law, Wis. Stat. §§ 19.21-19.39, and the MPS guidelines "Records Custodians" on file in the MPS Office of Board Governance.

Charter School shall grant the Board or its designee the right to inspect Charter School facilities and to review any Charter School records at any time during the term of this Contract upon reasonable notice during regular business hours throughout the calendar year.

Charter School shall generate and provide such information and reports in such format, at such times and concerning such matters, as may be requested by the Board or its designee, concerning any of the operations of Charter School.

Charter School shall notify MPS of correspondence received from the United States Department of Education, the United States Department of Justice, or DPI that requires a formal response.

U. Calendar.

Charter School shall operate for the days and hours indicated on the calendar for the 2013-2014 school year that is attached hereto as Appendix K and incorporated herein by reference. Charter School shall provide MPS with each subsequent school year calendar indicating days and hours of operation no later than July 1st preceding the start of the school year.

V. Purchases.

Charter School shall adhere to the provisions of the Charter School Annual Operating Budgets. The cost of any services purchased by Charter School from MPS shall be determined by the Board.

W. Annual administrative fee.

Charter School shall be charged an annual administrative fee. The annual administrative fee shall be determined by the Board, but shall not exceed three percent of the amount paid to Charter School each year for the corresponding period under paragraph II.B.1. The administrative fee shall be deducted from the payments received by Charter School under paragraph II.B.1.

Within 30 days after final execution of this Contract, and in no event later than April 15th of each subsequent year during the term of this Contract, the Board shall provide Charter School with the proposed administrative fee for the upcoming period of July 1st to June 30th.

X. Transportation and nutrition services.

Charter School is authorized to develop and implement a transportation policy and/or a nutrition services policy.

If Charter School chooses to implement a pupil transportation policy and/or a nutrition services policy, Charter School shall be responsible for all costs incurred as a result of such transportation policy and/or nutrition services policy.

Charter School shall submit any proposed transportation policy or nutrition services policy to MPS. The Board reserves the right to reject any transportation policy and/or nutrition services policy proposed by Charter School.

Charter School may enter into contracts with other persons or organizations, including municipal and county governments, for the transportation of Charter School pupils to and from school and for field trips, and/or for the nutrition services for Charter School pupils.

Charter School shall ensure that all requirements of the McKinney-Vento Homeless Assistance Improvements Act of 2001, 42 U.S.C. §11431 *et seq.*, are met. Charter School shall be entitled to all flow through funding and support services in the same manner as homeless students in non-contracted MPS schools.

If a Charter School chooses to implement a nutrition services policy, Charter School shall comply with the DPI Child Nutrition Program requirements for charter schools in accordance with Appendix L.

If Charter School chooses to implement a transportation policy, Charter School shall set forth such policy in Appendix A.

Y. Intergovernmental agreements.

Charter School shall adhere to all intergovernmental agreements entered into between the Board and other governmental entities under Wis. Stat. § 66.0301, unless specifically exempted from adherence to such agreement(s) by the Board.

Z. Local Education Agency responsibilities.

MPS is the Local Education Agency (LEA) for Charter School for purposes of all state and federal laws, codes, rules and regulations pertaining to LEA duties, rights and responsibilities, including, but not limited to, the Americans with Disabilities Act (ADA), 42 U.S.C. §1210, Section 504 of the Rehabilitation Act of 1973, (Sec. 504), 29 U.S.C. §794, the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. §1400 *et seq.*, No Child Left Behind Act, 20 U.S.C. § 6301 *et seq.*, and the Asbestos Hazard Emergency Response Act (AHERA), 15 U.S.C. §2641 *et seq.*

Charter School staff shall be invited to participate in staff development opportunities provided by MPS pertaining to IDEA, ADA, Section 504, NCLB and AHERA. Charter School staff shall participate in staff development opportunities required pursuant to state and/or federal mandates.

Charter School shall fully cooperate with MPS to allow MPS to oversee and monitor the activities of Charter School and to ensure compliance with all state and federal laws, codes, rules and regulations pertaining to LEA duties, rights and responsibilities. MPS is authorized to direct and mandate that Charter School perform such activities and take such corrective actions, as MPS may determine are necessary and/or appropriate, to ensure full compliance with all state and federal laws, codes, rules and regulations pertaining to LEA duties, rights and responsibilities. MPS reserves the right to terminate this Contract under paragraph III.C.2. if Charter School, as determined by MPS, does not fully cooperate with MPS, does not perform such activities or take such corrective actions as may be directed by MPS or does not remedy any violation or failure to the satisfaction of MPS .

Charter School shall assume responsibility for all direct and indirect costs, expenses, damages and/or liabilities including, but not limited to, attorney fees and hearing costs, arising out of, or associated with issues related to compliance with all state and federal laws, codes, rules and regulations pertaining to LEA duties, rights and responsibilities and with Charter School's obligation to cooperate and take corrective actions under this paragraph.

II. MPS RESPONSIBILITIES

A. Attendance.

MPS shall allow any Charter School pupil who meets MPS admission standards to enroll in an MPS School, in accordance with MPS Student Assignment Policies, as amended from time to time, unless such pupil has been expelled from Charter School.

B. Payment.

This Contract is contingent upon available contracted seats under the Memorandum of Understanding (MOU) between the Milwaukee Board of School Directors (MBSD) and Milwaukee Teacher Education Association (MTEA) referencing contracted educational services not to exceed 8% of the District's student enrollment or the termination of the MOU.

As a condition of funding, Charter School shall maintain and report accurate enrollment and attendance data on an approved MPS format, and pupil enrollment counts shall be monitored monthly by MPS. MPS may adjust payments made under this paragraph II.B. based upon the audited Official Counts for each semester, for a maximum of 1082 FTE pupils in grades K4-12 for the 2013-2014 school year; 1278 FTE pupils in grades K4-12 for the 2014-2015 school year; 1427 FTE pupils in grades K4-12 for the 2015-2016 school year; 1552 FTE pupils in grades K4-12 for the 2016-2017 school year and 1692 FTE pupils in grades K4-12 for the 2017-2018 school year.

MPS shall make payment to Charter School only for pupils placed in the charter school educational program in accordance with this Contract, and for costs specifically authorized herein. MPS reserves the right to disallow any payment for any unauthorized or unappropriated payments, costs, or expenses and to recover any payments made for unauthorized or unappropriated payments, costs or expenses. MPS also reserves the right to withhold or disallow payment in the event MPS determines that Charter School is in violation of any provision of this Contract or laws or regulations governing it, until such time as Charter School remedies said violations. MPS shall attempt to provide Charter School notice and shall provide Charter School an opportunity to cure such violation when it is reasonable to do so. MPS and Charter School may also elect to terminate this Contract in accordance with paragraph III.

Payment by MPS to Charter School shall be made under the following terms and conditions:

1. Per pupil allocation

The per pupil Full Time Equivalent (FTE) rate for Charter School shall be equal to the amount the state determines annually for charter schools operated by the Milwaukee Area Technical College (MATC), the University of Wisconsin at Milwaukee (UWM) and the City of Milwaukee. The total costs of this Contract shall be based on the Charter School FTE count for up to a maximum of 1082 FTE pupils in grades K4-12 for the 2013-2014 school year; 1278 FTE pupils in grades K4-12 for the 2014-2015 school year; 1427 FTE pupils in grades K4-12 for the 2015-2016 school year; 1552 FTE pupils in grades K4-12 for the 2016-2017 school year and 1692 FTE pupils in grades K4-12 for the 2017-2018 school year, plus any Title I and other categorical aids that Charter School is entitled to receive.

Charter School shall provide MPS with an official enrollment and FTE count by the Third Friday in September and the Second Friday in January of each year during the term of this Contract. MPS shall make payment to Charter School not to exceed categorical aids plus the per pupil FTE rate allocation multiplied by a maximum of 1082 FTE pupils in grades K4-12 for the 2013-2014 school year; 1278 FTE pupils in grades K4-12 for the 2014-2015 school year; 1427 FTE pupils in grades K4-12 for the 2015-2016 school year; 1552 FTE pupils in grades K4-12 for the 2016-2017 school year and 1692 FTE pupils in grades K4-12 for the 2017-2018 school year, in accordance with the following payment schedule:

- a. 40% of the total annual payment* less 40% of the MPS administrative fee and MPS optional services costs to Charter School shall be made by MPS upon annual receipt of 1) proof of a valid occupancy permit for public school use, 2) proof of completion of an Asbestos Management Plan, 3) Charter School Annual Budget as set forth in Appendix F, 4) Charter School Calendar as set forth in Appendix K, and 5) all bonds and certificates of insurance required in paragraph I. N. for the school year period July 1st through June 30th. In no event shall MPS be obligated to make this payment before July 20th in the second through fifth years of this Contract. This payment shall be adjusted based upon the official enrollment count.

- b. 20% of the total annual payment less 20% of the MPS administrative fee and MPS optional services costs to Charter School shall be made by November 20th upon receipt and approval by MPS of the Charter School September enrollment counts, the financial audit as required under paragraph I.K. (unless a written extension has been granted), required licenses and permits to provide instruction according to the DPI as set forth in paragraph I.G., and all other items required for Contract compliance.
- c. 30% of the total annual payment less 30% of the MPS administrative fee and MPS optional services costs to Charter School shall be made by February 20th upon receipt and approval by MPS of the Charter School January enrollment counts, mid-year unaudited balance sheet, and audit reports as required under paragraph I.K., and all other items required for Contract compliance.
- d. 10% of the total annual payment less 10% of the MPS administrative fee and MPS optional services costs to Charter School shall be made by May 20th, upon receipt and approval of all items required for Contract compliance.

*Annual payment is the average of the Official September and January enrollment FTE's times the per pupil FTE rate.

Any payments which may be due to Charter School for the operation of the charter school educational program are the responsibility of MPS. MPS shall make payment directly to Charter School via U.S. mail or Electronic Funds Transfer (ETF) each year Charter School participates in the charter school educational program under this Contract. MPS shall calculate additional payments for any categorical funds Charter School has applied for and may be eligible to receive, based on categorical guidelines and/or FTE pupil counts. Such funds shall be paid to Charter School as soon as practicable and without delay.

2. Adjustments to per pupil allocation

The per pupil allocation is intended to cover all costs and expenses related to the operation of the charter school educational program. Therefore, the per pupil revenue amount shall be reduced by costs associated with the agreed upon administrative fees charged by MPS under paragraph I.W. and any additional costs agreed to in the budget.

3. Categorical aids

If Charter School is eligible to receive categorical aids, such as Title I funds, such aids shall flow to Charter School through MPS in accordance with any attendant regulations and in the same manner as non-contracted MPS schools. Such aids shall not reduce the per pupil revenue to be received by Charter School from MPS and shall be paid to Charter School as soon as practicable and without delay.

4. Grants

Charter School is authorized to apply for grants. Charter School may not apply for or receive any grant or other monies that will compromise the ability of MPS to apply for or to receive said grant. Charter School shall contact the MPS-Grant Office for information regarding possible grant conflicts. Charter School shall expend any grant monies it may receive in a manner consistent with the terms of this Contract as well as the grant. Any grant money received by Charter School shall not reduce the per pupil revenue to be received by Charter School from MPS. Notwithstanding any language in this paragraph, the 501(c)(3) organization may seek grant funds separate from MPS.

5. Year End Deficit and Carryover

Charter School shall be responsible for all deficits and shall retain and carryover unexpended funds from one school year to the next.

III. TERM AND MODIFICATION OR TERMINATION OF CONTRACT

A. Term.

The term of this Contract is five (5) school year(s) commencing with the 2013-2014 school year and ending on the last regularly scheduled school day of the 2017-2018 school year. This Contract is contingent upon the approval of the Board. This Contract shall become effective upon approval by the Board and execution by all appropriate persons.

This Contract is contingent upon annual appropriation of appropriate funds for the performance of this Contract. In the event the Board fails to appropriate funds for the continued performance of this Contract, this Contract shall become void.

B. Modification.

This Contract represents the entire agreement between the parties. This contract may be modified upon mutual agreements between the parties reduced to writing. If either party wishes to modify any of the terms of this Contract, that party shall put the proposed modification in writing and submit it to the other party.

If, in the judgment of MPS, the proposed modification made by either the Charter School or the Board is not a significant change to this Contract, MPS is authorized to act on behalf of the Board. If, however, the MPS Office of Contracted School Services determines that the proposed modification is a significant change to this Contract, then any such proposed modification shall be presented to the Board for action.

Both parties agree to negotiate in good faith regarding proposed modifications to the updated language in the negotiated and approved model contract and neither party shall withhold its approval unreasonably. In the event Charter School and the Board are unable to come to an agreement with respect to the modifications of contract provisions, which are proposed due to updated language in the mutually agreed upon model contract, the Board has the authority to

declare this Contract terminated in accordance with the provisions of paragraph III.C.6. The Board shall not exercise this authority unreasonably.

C. Termination.

This Contract may be terminated before expiration of its term upon any of the following grounds:

BY BOTH PARTIES:

1. Both parties agree in writing to the termination.

BY BOARD:

2. Board determines that Charter School violated this Contract; or
3. Board determines that pupils enrolled in Charter School have failed to make sufficient progress toward attaining the educational goals under Wis. Stat. § 118.01 or the academic performance criteria established by the Board; or
4. Board determines that Charter School has failed to comply with state and federal guidelines and with generally accepted accounting principles and standards, including applicable categorical and/or grant guidelines, financial standards; or
5. Board determines that Charter School has violated Wis. Stat. § 118.40; or
6. Board determines that Charter School does not agree to modifications and/or amendments based on a revised model contract as required by the Board to this Contract.

BY CHARTER SCHOOL:

7. Charter School has become insolvent or has been adjudged bankrupt.

If this Contract is terminated under the first ground (because both parties agree in writing to the termination) the termination shall become effective on a date agreed to by the parties. If this Contract is terminated under the second through sixth grounds (because of a determination on the part of the Board) the termination of this Contract shall not become effective until, at a minimum, 30 days, in which notice of termination is given, unless, in the discretion of the Board, termination should become effective sooner. When reasonable, the Board shall provide Charter School with the opportunity to cure such violations or failures.

MPS shall report and may recommend to the Board that this Contract be terminated under the third ground (because pupils have failed to make sufficient progress) if Charter School fails to meet at least 75% of the following performance criteria that apply to Charter School as detailed herein at Section I.E. on pages 5, 6 and 7.

Failure to meet criteria 14, 15 or 16 as detailed in Section I.E. on page 7 of this Contract, alone shall not be grounds for termination of this Contract, but Charter School shall comply with any inquiries made by MPS in an effort to determine the cause of Charter School's failure to meet these criteria.

Failure on the part of the Board to exercise its right to terminate this Contract under any ground listed above shall not be deemed to constitute an amendment to the terms of this Contract or to constitute a waiver of the right of the Board to terminate this Contract at a later date under that ground.

In the event of termination of this Contract, advance written notice by certified or registered mail, return receipt requested, shall be provided which shall list the reason(s) for termination and the effective date of the termination. Upon termination of this Contract, MPS shall recover funds advanced to Charter School under this Contract to which Charter School is not entitled. Charter School shall update all student record and transcript information and provide MPS with cumulative records and reports. The decision of the Board shall be final.

D. Legal status upon termination.

Upon revocation of this Contract, all legal associations between the Board and Charter School shall be severed.

In the event of termination of this Contract, MPS shall be entitled to be reimbursed for any and all funds advanced to Charter School under this Contract to which Charter School is not entitled.

IV. CONTRACT ADMINISTRATION, NOTICE AND PROVIDING OF INFORMATION

Unless specified otherwise in this Contract, any acts of discretion including, but not limited to, any approval required under this Contract or determination to terminate this Contract, are to be made by the MPS Board of School Directors.

Unless specified otherwise in this Contract, whenever under this Contract notice must or may be given to the other party, or whenever information or reports may or must be provided to the other party, the party who may or must give notice or provide information or reports shall fulfill any such responsibility under this Contract if notice is given or information or reports are provided to the following persons, or their successors:

TO MPS OFFICE OF CONTRACTED SCHOOL SERVICES :

Adrienne L. Woods, Director
Office of Contracted School Services
5225 West Vliet Street, Rm. 251
Milwaukee, WI 53201-2181

TO CHARTER SCHOOL:

Chris Her-Xiong
4601 North 84th Street
Milwaukee, WI 53225

A party to this Contract shall immediately give written notice to the other party if the contact person for purposes of notice and providing information is modified.

V. STATUTES

This Contract shall be governed by the laws of the State of Wisconsin. Whenever under this Contract reference is made to a provision in the Wisconsin Statutes or United States Code or implementing code, rule, or regulation, and such provision is subsequently amended by the Wisconsin Legislature, United States Congress or state or federal administrative agency, such reference in this Contract shall be deemed to be amended to conform to the new law, code, rule, or regulation.

VI. MISCELLANEOUS

A. Severability

If any term or provision of this Contract shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Contract, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

In the event MPS is required by judicial or administrative mandate to propose changes to the terms hereof, MPS will immediately notify and provide Charter School with a copy of such mandate. Thereafter the parties shall meet or confer concerning the impact of the mandate on the operation, performance or financial status of Charter School, with the intent to preserve to the fullest permissible extent the intent and agreements of the parties herein set forth.

B. Waiver

No waiver of any breach of this Contract shall be held as a waiver of any other or subsequent breach.

C. Assignment

This Contract may not be assigned or delegated by either party.

D. Entire Contract

This Contract constitutes the entire contract and understanding between the parties. It supersedes and replaces any and all prior agreements, contracts, and understandings between the parties except as referenced and incorporated herein.

VII. CHARTER SCHOOL PROPOSAL

In the event there is a conflict between this Contract or any of its appendices and the charter school proposal, this Contract or its appendices shall control.

It is recognized that the charter school proposal that was submitted to the Board was an invitation to enter into a charter school contract and that the Board is not bound by any of the proposals or provisions set forth by Charter School in its proposal. Charter School does not have the right to enforce any provisions that it made in its proposal to be established as a charter school, unless the same have been specifically incorporated into this Contract.

Board reserves the right to hold Charter School to any of the representations or assurances made by Charter School in its charter school proposal or other papers submitted in support of its charter school proposal, regardless of whether such representations or assurances are contained in this Contract. Charter School's failure to adhere to the representations and assurances made in the charter school proposal and other supporting papers shall constitute a violation of this Contract. The charter school proposal and other supporting papers shall be kept on file in the MPS Office of Contracted School Services, 5225 West Vliet Street, Room 251, Milwaukee, WI 53201-2181.

VIII. APPENDICES

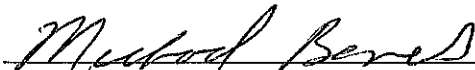
The following documents are hereby made a part of this Contract and Charter School agrees to abide by all the terms and conditions herein.

In the event an inconsistency exists between this Contract and any of its appendices, this Contract shall be controlling.

- Appendix A: Charter School Proposal
- Appendix B: List of MPS Policies, Procedures and Requirements
- Appendix C: MPS Annual Assessment Calendar
- Appendix D: Charter School Articles of Incorporation
- Appendix E: Charter School By-Laws
- Appendix F: Charter School 2013-2014 Operating Budget
- Appendix G: MPS Charter School Budget Format
- Appendix H: INSITE: Finance Analysis Model for Education
- Appendix I: Parent/Student Handbook on Rights, Responsibilities and Discipline
- Appendix J: Charter School Discipline Policies
- Appendix K: Charter School Calendar for 2013-2014 School Year
- Appendix L: Wisconsin Department of Public Instruction Child Nutrition Program Requirements

All Administrative Policies and Procedures referred to in this Contract are available at <http://www2.milwaukee.k12.wi.us/governance/rulespol/rpmaster.html> or upon request from the MPS Office of Contracted School Services.

**APPROVED:
MILWAUKEE BOARD
OF SCHOOL DIRECTORS**


MICHAEL BONDS, Ph.D., President
Milwaukee Board of School Directors

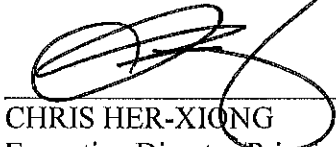
Date: 8-6-2013


GREGORY E. THORNTON, Ed.D.
Superintendent of Schools

Date: 8-1-13

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**APPROVED:
HMONG AMERICAN PEACE
ACADEMY CHARTER SCHOOL**


CHRIS HER-XIONG
Executive Director/Principal

Date: 7/31/13

APPENDIX B

- Administrative Policy 6.09 HUMAN IMMUNODEFICIENCY VIRUS (HIV)
- Administrative Policy 6.32 PEPPER SPRAY
- Administrative Policy 8.47: CHILDREN'S INTERNET PROTECTION ACT
- Administrative Policy 8.48: STUDENT ACCEPTABLE USE POLICY
- Administrative Policy and Procedure 9.12: CHARTER SCHOOLS
- Staff Acceptable Use Policy form, on file in the MPS Office of Contracted School Services

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