
Section Seven: Districts with Participating Charter Schools

Public Charter Schools and SIA Funds

The purpose of this section is to provide information and resources for districts with participating charter schools to organize and efficiently move through the process of applying for Student Investment Account (SIA) funds in coordination with their eligible charter school(s).

When a charter school participates in the district’s SIA application, **the charter school and the district must enter into an agreement for the distribution of funds, the provision of services and accountability measures required of the public charter school by the school district.**

District and Charter School Agreement

Each district and charter school should negotiate agreements according to the relationship and specific needs, and take into account each school’s unique charter contract. The district-charter school SIA agreements will be owned by the two parties and will not be enforced by ODE. Districts will enter into a separate SIA grant agreement with ODE for its SIA grant.

ODE has developed a [draft SIA agreement template](#) that districts and charter schools may use as a starting point for negotiating these agreements. **While use of this exact template is not required and offered as a resource for districts and charters to adapt or use as helpful, it is expected that both parties equally participate in developing their agreement.** It may be appropriate for a district to have different SIA agreements with different charter schools based on the relationship and current performance of the charter school. You may also wish to consider this [alternate SIA agreement template](#).

Components of a District-Charter Agreement for SIA Funds

The following sections include suggested topics for district-charter school SIA agreements.

A Note on Eligibility

Public charter schools are not required to participate in the SIA grant. However, non-virtual public charter schools may apply directly to ODE if eligible or be invited to participate in their sponsoring district’s application. If a district invites one charter school to participate, it must invite all non-virtual charter schools sponsored by the district to participate.

Charter School SIA Plan

Each charter school applying with a district's SIA grant application should identify priorities for support as required in the Act. The agreement should describe if the charter school's plan is required to be submitted to the district for approval or not. It should also describe the requirements for the charter school's SIA budget and longitudinal performance growth targets. Both parties might want to include general timelines for these plans to be submitted, likely in advance of a district's SIA grant application review and approval. It may be helpful to include a description of the process a charter school would go through to update or revise the plan.

The first SIA Plan should cover three years: 2020-21, 2021-22 and 2022-23.

Exchange of Services

Districts and charter schools may mutually agree to have the grant completely or partially administered by the district. It will be important to clarify what services the district and the charter school will be responsible for providing. If the district and charter school agree for the district to retain any portion of the SIA funds generated by the ADMw attributed to the charter school, the agreement should describe the level of service the charter school can expect, a description of how those funds retained by the district will be used and how the charter school may benefit from or participate in activities paid for with those funds.

In some cases, it might be mutually agreed that the charter school will provide services to the district. A charter school may be well positioned to offer training or professional development to the district. Consider including these services in your agreement as well.

Other services that might be worth including in the agreement are:

- Fiscal oversight and management of the grant
- Data collection and preparation
- Procurement and contracting

Distribution of Funds

The agreement should clarify whether or not the charter school will receive SIA funds. If the charter school will receive SIA funds, the agreement should specify how the amount will be calculated and what percentage, if any, the district will withhold. **ODE encourages school districts to pass 100 percent of the SIA funds generated by the ADMw attributed to the charter school to the charter school.**

It will be helpful for agreements to include general timelines for the distribution of funds. This might be similar to other timelines in the charter contract (e.g. within 10 days of when the district receives the SIA funds from the department). This is also a good section to include requirements for the charter school's fiscal reporting. Will the charter school be responsible for reporting expenses to the district? What will the charter school have to do if it is unable to expend all SIA funds?

Indirect Costs

A grant recipient may use funds for indirect costs directly related to allowed expenditures as provided in the grant agreement. Indirect costs are limited to 5 percent of the total expenditures or \$500,000, whichever is less. Any indirect costs incurred by a participating charter school must be accounted for within the sponsoring school district's overall limit of 5 percent or \$500,000, whichever is less.

Accountability

The district-charter SIA agreement should outline a clear understanding of how the charter school will be held accountable to the requirements of the SIA funds and expected outcomes. Because all eligible applicants are held to a high standard of community engagement with students, parents, staff and community partners, it should be an expectation that the charter school has based its SIA plan on the input from its community. Charter schools should either be included in the district's community engagement or complete their own community engagement that will inform how the charter school plans to spend SIA funds.

Another major aspect of accountability the SIA includes is the Longitudinal Performance Growth Targets. Charter schools may include their own Longitudinal Performance Growth Targets or plan to use the district's Longitudinal Performance Growth Targets. Districts will only be held accountable to the district-level targets included in the district SIA grant agreement, not any individual charter school targets included in district-charter SIA agreements. Alignment between district and charter school targets is recommended since the charter school data will contribute toward the district's overall performance.

A district and charter school may agree to have the charter school adopt the same targets as the district or different targets within the same categories.

In order to report progress, the charter school may agree to submit quarterly benchmark data, annual data or other reports on its progress toward meeting these targets. There should be agreement on how often these targets will be reported on and in what format.

The agreement may also include a description of what happens if a charter school fails to show adequate improvement by the end of the reporting period. Will the district retain funds, require a

corrective action plan, or other form of accountability action? Will the agreement tie the charter school's performance on these longitudinal performance growth targets to their overall performance for renewal and termination decisions?

Finally, the district and the charter school should also include clear expectations regarding how the charter school will report expenditures of SIA funds. Will the charter school submit monthly or quarterly reports? What level of detail is expected? What happens if the charter school fails to expend funds according to the allowable uses? How is the charter school accounting for SIA funds and are the funds easily audited?¹

Charter schools are already required to report to their sponsor annually on the performance of the school and its students.² Districts and charter schools may agree to include any SIA accountability reporting in the annual report to the sponsor.

Additional Components to Consider

1. **Participation in application process:** Is the charter school invited to fully participate in the district's community engagement work and application design process? Or, does the charter school complete a complementary, but independent community engagement and SIA plan development process?
2. **Coaching and Intensive Program:** An agreement might include a description of what happens if the charter school's data is the primary reason why a district did not meet its longitudinal performance growth targets. An agreement might also include a section on how the charter school is impacted if the district enters into the intensive program.

Questions and Support

Please contact Kate Pattison at kate.pattison@state.or.us or 503-580-5749 with questions or requests for support.

¹ ORS 338.095 requires public charter schools to have an annual municipal audit. All SIA funds received by the charter school should be included in this audit and reported as a separate account.

² ORS 338.095 requires the charter school to report annually to the sponsor and the department on the performance of the school and its students. The format of these reports is typically agreed upon in the charter contract.