



Board Meeting Agenda

03/17/2020

6:00 p.m.

Encore Education Corporation

Phone: (760) 949-2036

Fax (760) 956-3338

www.encorehighschool.com

Sites:

Hesperia

MEETING AT: 16955 Lemon Street, Hesperia, CA
92345 – CLASSROOM F 29

Board Members:

Suzanne Cherry, Board President

Rob Gabler, Board Vice President

Kelly Ahmed, Board Secretary/Treasurer

Evelyn Rojas, Board Member

Paula Gharib, Board Member

Mari Miller, Board Member

The Order of Business may be changed without notice: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

Reasonable Limitations May be placed on public testimony: The Governing Board's presiding officer reserves the right to impose reasonable time limits on public testimony to ensure that the agenda is completed. For any person requiring a translator, this time will be doubled to account for translation time.

Reasonable Accommodation for any individual with a Disability: Pursuant to the Rehabilitation Act of 1973, any individual with a disability who requires reasonable accommodation to attend or to participate in this meeting of the Governing board may request assistance by contacting the EEC (760) 949-2036.

Public Documents relating to Open Session Agenda items are available for review by the public at the Reception Desk at Encore Education Corporation's Executive office or on the internet at www.encorehighschool.com. For more information concerning this agenda, please contact EEC (760) 949-2036.

1.0 CALL TO ORDER. The meeting was called to order at ____ (time).

2.0 OPEN GENERAL SESSION

ROLL CALL	Present	Absent
Suzanne Cherry	___	___
Kelly Ahmed	___	___
Rob Gabler	___	___
Paula Gharib	___	___
Evelyn Rojas	___	___
Mari Miller	___	___

3.0 APPROVAL OF THE AGENDA

MOTION: _____	Second: _____	Vote: _____		
ROLL CALL	AYE	NAY	ABSTENTION	ABSENT
Suzanne Cherry	___	___	___	___
Kelly Ahmed	___	___	___	___
Rob Gabler	___	___	___	___
Paula Gharib	___	___	___	___
Evelyn Rojas	___	___	___	___
Mari Miller	___	___	___	___

4.0 INVITATION TO ADDRESS THE BOARD, OPEN SESSION ITEMS. This is the time and place for the general public to address the Board of Directors on any matter within jurisdiction of the Board. Comments should be limited to 3 minutes. Unless an item has been placed on the published agenda in accordance with the Brown Act, there shall be no action taken, nor should there be comments on, responses to, or discussion of a topic not on the agenda. The Board members may: (1) acknowledge receipt of information/report; (2) refer to staff with no direction as to action or priority; or (3) refer the matter to the next agenda.

5.0 INFORMATION ITEMS.

5.1 Governor Issues COVID-19 Executive Order

6.0 ACTION ITEMS.

6.1 Action- APPROVAL OF DRAFT MOU WITH ENCORE ED. CORP AND RIVERSIDE UNIFIED SCHOOL DISTRICT (RUSD) – RUSD WILL HOLD A BOARD MEETING ON 3/18/2020 TO VOTE ON THE DRAFTED MOU

MOTION: _____	Second: _____	Vote: _____	Approve - _____	
ROLL CALL	AYE	NAY	ABSTENTION	ABSENT
Suzanne Cherry	___	___	___	___
Kelly Ahmed	___	___	___	___
Rob Gabler	___	___	___	___
Paula Gharib	___	___	___	___
Evelyn Rojas	___	___	___	___
Mari Miller	___	___	___	___

6.2 Action- APPROVAL OF CALIFORNIA SCHOOL FINANCE AUTHORITY (CSFA) 2020 LOAN AGREEMENT, ENCORE EDUCATION CORPORATION AND CHARTER ASSET MANAGEMENT FUND, L.P.

MOTION: _____	Second: _____	Vote: _____	Approve - _____
ROLL CALL	AYE	NAY	ABSTENTION ABSENT
Suzanne Cherry	___	___	___
Kelly Ahmed	___	___	___
Rob Gabler	___	___	___
Paula Gharib	___	___	___
Evelyn Rojas	___	___	___
Mari Miller	___	___	___

7.0 BOARD COMMENTS / REPORTS. The Governing Board will take comments/updates from fellow board members, and the EEC Executive Administration for future agenda issues.

8.0 ADJOURNMENT

MOTION: _____	Second: _____	Vote: _____	
ROLL CALL	AYE	NAY	ABSTENTION ABSENT
Suzanne Cherry	___	___	___
Kelly Ahmed	___	___	___
Rob Gabler	___	___	___
Paula Gharib	___	___	___
Evelyn Rojas	___	___	___
Mari Miller	___	___	___

The meeting adjourned at _____ (time).

The next meeting will be held, **April 20, 2020** at 6:00 pm



Exhibit
5.1

MARCH 17, 2020

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Paula Gharib, Board Member

Mari Miller, Board Member

INFO:

COVID-19 EXECUTIVE ORDER – BOARD MEETINGS

[Resources](#) > [Charter Currents](#) > **Charter Currents: Coronavirus Update #3: Governor Issues Another COVID-19 Executive Order**

Sacramento, CA – Governor Newsom today issued a [second executive order](#) (N-25-20) related to the Coronavirus 19 (COVID-19) addressing several topics, including waiving specified portions of open meetings laws (Brown Act). Relatedly, last night the California Department of Public Health [called for postponing or cancelling public events, as follows](#):

- Large gatherings that include 250 or more people should be postponed or cancelled. This includes gatherings such as conferences, concerts, sporting events, etc.
- Small gatherings that do not allow “social distancing” of six feet per person should be postponed or cancelled. This includes gatherings in crowded auditoriums, rooms, or other venues.

The executive order grants additional flexibility under the Brown Act (and Bagley-Keene Act, the state’s open meetings laws) authorizing governing boards/bodies additional flexibility to conduct meetings via teleconferencing during times when state and local officials are recommending “social distancing” as a measure to slow the spread of COVID-19.

More specifically, the order waives several restrictions that typically make it difficult to conduct a teleconference board meeting under the open meetings laws, including waiving the following requirements that typically govern teleconferences of open meetings:

- Requiring the physical presence of members, the clerk, or other personnel as a condition of a quorum.
- Requiring that agendas list each teleconference location from which a member of the board will be participating.
- Requiring that the public may address the board at each teleconference location.
- Requiring that at least one board member be physically present at each teleconference location.
- Requiring that at least a majority of board members participate from locations within the school's jurisdiction.

With the above requirements waived, charter boards and board committees should enjoy significantly more flexibility to teleconference during times when social distancing is required.

The executive order does condition the above flexibility on the following:

- Giving advance notice of the meeting pursuant to the usual notice requirements (e.g., 72-hour notice for “regular” meetings, 24-hour notice for “special” meetings, public posting of agenda, etc.)
- Providing at least one publicly accessible location from which members of the public may observe and offer public comments consistent with the Brown Act's usual public access and participation requirements, including, but not limited to disability access requirements.

Thus, boards and committees subject to the open meetings laws should ensure they implement the usual postings of agendas and noticing requirements.

The executive order includes a number of other provisions, including the following of

particular interest to charter school leaders:

- Ordering residents to heed orders and guidance of state and local public health officials, including but not limited to “social distancing” measures to control the spread of COVID-19.
- Directing state tax agencies (Franchise Tax Board, Board of Equalization) to extend tax filing deadlines “where appropriate” to allow for compliance with social distancing measures.
- Granting state agencies powers to contract for, and, if necessary, commandeer property, including hotels, medical facilities, and “other suitable facilities” as needed for isolating and quarantining individuals who have COVID-19.

Relatedly, Lisa Constancio of the California Department of Education (CDE) briefed the State Board of Education (SBE) this morning on COVID-19 matters, stating the following:

- “Everything is going hour by hour,”
- CDE and SBE staff are in daily calls with the governor’s office,
- The [California Department of Public Health issued school-specific guidance](#) last weekend.
- The governor’s new executive order calls for rescheduling or cancelling large gatherings (250+ individuals) and for exercising social distancing measures at any remaining gatherings.
- It’s important for schools to work in coordination with their local county health departments and county office of education regarding school closure and other COVID-19 matters.

The State Board was doing its best to implement these measures at this morning’s meeting, including having removed most of the chairs in the meeting space to allow for social

distancing, offering hand sanitizer, etc.

CSDC plans to continue to issue numbered updates regarding COVID-19 going forward as and when warranted.

Posted: 03/12/2020



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Exhibit
6.1

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DRAFT MOU WITH ENCORE ED. CORP AND RIVERSIDE UNIFIED SCHOOL DISTRICT (RUSD) – RUSD WILL HOLD A BOARD MEETING ON 3/18/2020 TO VOTE ON THE DRAFTED MOU

MEMORANDUM OF UNDERSTANDING

Between

**Riverside Unified School District and Encore Education Corporation
d/b/a Encore High School for the Arts – Riverside**

Renewal Petition Corrective Action Plan

March 18, 2020

This Memorandum of Understanding (“MOU”) is made and entered into as of the 18th day of March, 2020, by and between the Riverside Unified School District (“District”) and Encore Education Corporation (“Encore Corporation”) d/b/a Encore High School for the Arts – Riverside (“Encore-Riverside”). Hereinafter, the District and Encore Corporation d/b/a Encore-Riverside shall be referred to individually as “Party and collectively as “the Parties.”

SECTION I: PURPOSE

The purpose of this MOU is to set forth, and provide for the implementation of, a Corrective Action Plan in connection with the renewal of Encore-Riverside charter school for the period from July 1, 2020 through June 30, 2025, unless earlier terminated in accordance with the terms of this MOU and consistent with law and the approved renewal charter (“Renewal Charter”). This MOU does not affect the terms of the current Encore-Riverside Charter, which shall remain in effect through June 30, 2020.

SECTION II: BACKGROUND

On December 20, 2019, the District received a renewal charter petition (“Renewal Charter Petition”) from Encore Corporation, seeking a five-year renewal of the Charter for Encore-Riverside, from July 1, 2020 through June 30, 2025 (“Renewal Term”). On January 21, 2020, a public hearing was held before the District Governing Board on the proposed renewal, and on February 18, 2020, District staff recommended denial of the Renewal Charter Petition based on concerns identified in staff report (“Staff Report”) regarding academics, finances, governance, management, and other areas. At that meeting, the Parties agreed to have staff meet and confer, for a period not to exceed 30 days, to develop a renewal option that addressed the identified concerns. This MOU is the result of those discussions.

SECTION III: PARTIES & RELATIONSHIP

- A. Encore Corporation is a California nonprofit public benefit corporation organized for the purpose of developing and operating public charter schools in the state of California with a performing and visual arts enhancement. Encore Corporation currently operates two

charter schools: Encore-Riverside, chartered by the District; and Encore-Hesperia, chartered by the Hesperia Unified School District.

- B. Encore-Riverside is a public charter school authorized to operate under the provisions of the Charter Schools Act of 1992, Education Code section 47600 *et seq.*, and the Charter. Encore-Riverside is operated by Encore Corporation, a nonprofit public benefit corporation, pursuant to Education Code section 47604(a).
- C. The District is a school district operating under the laws of the state of California. On December 8, 2014, the District Governing Board granted a charter petition for the operation of Encore-Riverside for a period from July 1, 2015 to June 30, 2020, and in doing so became the chartering authority for Encore-Riverside.
- D. Pursuant to Education Code section 47604(d), a chartering authority that grants a charter to a charter school to be operated as or by a nonprofit public benefit corporation is not liable for the debts or obligations of the charter school or for claims arising from the performance of acts, errors, or omissions by the charter school if the chartering authority has complied with all oversight responsibilities required by law. The Parties expressly acknowledge and agree that the District has complied with all oversight responsibilities required by law during Encore-Riverside's initial charter term and in connection with the renewal process.

SECTION IV: BROAD AUTHORITY / LEGISLATIVE INTENT

- A. The Parties acknowledge that, pursuant to Education Code sections 35160 and 35160.1, the Legislature has recognized that school districts have diverse needs unique to their individual communities and programs, and should have the flexibility to create their own unique solutions. The Legislature has further declared its intent to give school districts broad authority to carry on activities and programs which a school district governing board determines are necessary or desirable in meeting their needs.
- B. The Parties also acknowledge that, pursuant to Education Code section 47601, the intent of the Legislature in enacting the Charter Schools Act of 1992 was to, among other things, provide opportunities for teachers, parents, pupils, and community members to establish and maintain charter schools as a method of increasing learning opportunities, encourage the use of different and innovative teaching methods, create new professional opportunities for teachers, and provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system, while also holding charter schools accountable for meeting measurable pupil outcomes. The Parties also acknowledge that, pursuant to Education Code section 47605(b), in reviewing a charter petition, a governing board shall be guided by the intent of the Legislature that charter schools are an integral part of the California educational system and that the establishment of charter schools should be encouraged.
- C. This MOU is established by the Parties to further the Legislature's intent for school districts to create unique solutions to local challenges and to promote innovation in education through charter schools, subject to appropriate accountability and oversight.

SECTION V: TERMS

A. New Governance Structure

1. Revisions to Charter. By April 15, 2020, Encore Corporation shall submit to the District, for approval, revisions to its Renewal Charter to provide for a new governing board (“Charter School Board”) specific to Encore-Riverside, with board meetings to be held in Riverside, California. The revisions shall include the terms described in this MOU relating to the Charter School Board.
2. New Governing Board. The new Charter School Board shall be comprised of five (5) board members: Three (3) board members to be appointed by the District Governing Board or designee, and two (2) board members to be appointed by the Encore Corporation Board of Directors. Such appointments shall be made by each Party no later than May 15, 2020. Vacancies on the Charter School Board shall be filled in the same manner, by either the District Governing Board or the Encore Corporation Board of Directors, depending on which seat is vacant.
3. Duties of New Board. Commencing July 1, 2020, and for the duration of the Renewal Term, the new Charter School Board shall be responsible for decisions relating to Encore-Riverside’s academics, finances, personnel, and contracting. The Charter School Board and Encore Corporation shall work collaboratively to ensure that the decisions of the Charter School Board relating to Encore-Riverside are effectively implemented in accordance with the Charter and applicable law.
4. Services Provided by Encore Corporation. The Charter School Board and the Encore Corporation Board of Directors may enter into MOU(s) as needed to establish expectations and set forth services (including personnel and back office services) to be provided by the Encore Corporation to Encore-Riverside to implement the terms of the approved Renewal Charter.
5. Insurance/Indemnification of Charter School Board. Encore Corporation shall provide for insurance and indemnification for the Charter School Board members to the same extent as members of the Encore Corporation Board of Directors. Encore Corporation shall revise its Bylaws, the Renewal Charter, and any other relevant documents to implement this paragraph. Such revisions shall be included with the revisions submitted pursuant to subsection V(1)(A) above.
6. Training. By July 15, 2020, the Charter School Board, the Encore Corporation Board of Directors, and the Encore-Riverside management team shall receive SB 126 training (Brown Act, Conflicts of Interest, Public Records Act) by legal counsel experienced in those areas.
7. Operational MOU. By July 15, 2020, Encore Corporation shall enter into an updated operational MOU with the District to cover the Renewal Term, similar to the operational MOU entered into between the Parties dated July 20, 2015, but to include any revisions needed to implement this MOU and the Renewal Charter.

8. Debts and Obligations. Notwithstanding the change in governance structure described in this MOU, Encore Corporation shall remain solely liable for the debts and obligations of Encore-Riverside and for claims arising from the performance of acts, errors, or omissions by Encore-Riverside, in accordance with Education Code section 47604, the Renewal Charter, and the operational MOU.

B. School Management/Administration

1. Revisions to Charter. By April 15, 2020, Encore Corporation shall submit to the District, for approval, revisions to its Renewal Charter to provide for changes in its management team as described below.
2. New Management Team. No later than July 1, 2020, the Charter School Board shall hire an Executive Director and a Chief Business Official (“CBO”) to serve as management/administration for Encore-Riverside, effective July 1, 2020. The Executive Director and CBO shall be responsible for making recommendations to the Charter School Board in the areas of academics, finances, personnel, and contracting, and shall exercise any authority delegated to them by the Charter School Board. See Exhibit 1 for draft Job Descriptions for the positions of Executive Director and CBO, which shall be subject to modification by the Charter School Board.
3. Former Management Team. Effective July 1, 2020, the current positions of Chief Executive Officer (“CEO”) and Chief Operational Officer (“COO”) will be eliminated for Encore-Riverside. The individuals currently serving as CEO and COO of Encore-Riverside shall continue to perform their responsibilities under the current Charter through June 30, 2020 and shall assist with the transition to a new Charter School Board and new management. Effective July 1, 2020, the individuals currently serving as CEO and COO will not hold decision-making positions with Encore-Riverside in the areas of academics, finance, personnel, and contracting, but may serve in consulting roles, if such is the decision of the new Charter School Board.

C. Academics

1. Academic Performance Criteria. By December 15, 2021, Encore-Riverside will show increases in student academic performance by meeting the legal criteria for renewal under Education Code section 47607 (operative July 1, 2020). The District shall have the right to proctor Encore-Riverside’s standardized State testing in 2020 and 2021.
2. Technical Assistance. Encore-Riverside will be referred for Technical Assistance under Education Code section 47607.3 to support Encore-Riverside in its academic goals, if required or qualified to receive such assistance.
3. Failure to Meet Academic Performance Criteria. If Encore-Riverside does not meet academic performance criteria for renewal by December 15, 2021, the District shall have the right to issue a “Notice of Closure” to Encore-Riverside no later than February 1, 2022, in which case Encore-Riverside shall voluntarily

close at the end of the 2021-2022 school year in accordance with the Renewal Charter's closure procedures.

D. Fiscal Concerns

1. Fiscal Corrective Action Plan. The Charter School Board and new management team will implement the Fiscal Corrective Action Plan, proposed by Encore Corporation, to improve the fiscal condition of Encore-Riverside over a two-year period. (See Exhibit 2 for Fiscal Corrective Action Plan.) If any of the 6-month benchmarks set forth in the Fiscal Corrective Action Plan are not met, the District shall have the right to issue of "Notice of Closure" to Encore-Riverside, providing at least three (3) months' notice before the ordered last day of school, in which case Encore-Riverside shall voluntarily close as directed by the District and in accordance with the Renewal Charter's closure procedures.
2. Forensic Audit. Upon approval of the Renewal Charter Petition, a full forensic audit of Encore-Riverside shall be conducted by an entity such as FCMAT (Fiscal Crisis and Management Assistance Team), to look at finances, legal compliance, and other areas of operation. In the event the audit finds violations of law, the District shall have the right to issue a "Notice of Closure" to Encore-Riverside, providing at least three (3) months' notice before the ordered last day of school, in which case Encore-Riverside shall voluntarily close as directed by the District and in accordance with the Renewal Charter's closure procedures. Alternatively, at the discretion of the District Governing Board, Encore-Riverside will cooperate in separating from Encore Corporation and become a dependent charter school of the District with a new governing board fully selected by the District.
3. Lack of Enrollment/ADA. The Parties acknowledge and agree that nothing in this MOU shall prohibit or interfere with the ability of the new Charter School Board to take action to voluntarily close Encore-Riverside during the Renewal Term in the event actual student enrollment (and therefore ADA funding) is less than anticipated in the budget for 2020-2021, such that the benchmarks set forth in the Financial Corrective Action Plan appear to be unattainable.

E. Failure to Perform

In the event Encore Corporation fails to comply with the requirements of subsections V(A)(1), V(A)(2), and V(A)(5) of this MOU, relating to the establishment of a new Charter School Board, by May 15, 2020, the District shall have the right to issue a "Notice of Closure" to Encore-Riverside, in which case Encore-Riverside shall voluntarily close at the end of the 2019-2020 school year in accordance with the Renewal Charter's closure procedures.

F. Effect of Notice of Closure

1. Waiver of Revocation Proceedings. Encore-Riverside hereby expressly waives its right to revocation proceedings under Education Code section 47607, including the right to a Notice of Violation and an opportunity to remedy the violation, prior to any closure directed by the District through issuance of a "Notice of Closure"

under subsections V(C)(3), V(D)(1), V(D)(2), or V(E) of this MOU. Notwithstanding the above, prior to issuing a “Notice of Closure,” the District shall invite Encore-Riverside representatives to a meeting to discuss the areas of concern.

2. Reimbursement of Excess Costs. In the event the District issues a “Notice of Closure” in accordance with this MOU and is required to incur additional costs in the form of attorney fees or personnel costs due to such notice and any resulting enforcement actions, the District shall have the right to invoice Encore Corporation for reimbursement of those costs, and Encore Corporation shall pay the District for those costs within 45 days of invoice. However, the District shall not have the right to invoice Encore Corporation for such costs if the amount, when added to other oversight costs incurred by the District for that fiscal year, falls within the 1% oversight fee collected by the District under Education Code section 47613.

G. Continuity of Charter School Community

The Parties expressly acknowledge and agree that the purpose of this MOU, and any associated approval of the Renewal Petition, is to provide for the continuation of Encore-Riverside charter school as currently constituted (*i.e.*, students and staff) as much as possible in order to provide a new Charter School Board and management team an opportunity to implement this Corrective Action Plan and improve Encore-Riverside’s academics and fiscal condition. Therefore, the District and Encore Corporation (including its CEO and COO) agree to exercise good faith in promoting the goals and purposes of this MOU, and shall refrain from any efforts to persuade, direct, or otherwise encourage Encore-Riverside students to enroll in other public or private schools, or to persuade, direct, or otherwise encourage Encore-Riverside employees or contractors to work elsewhere, for the 2020-21 school year. Nothing in this section is intended, or shall be construed, to interfere with the legal right of individuals to make their own decisions relating to education and employment; rather, it is intended to reflect the intent of the Parties to encourage, and not interfere with, the success of Encore-Riverside if renewed by the District’s Governing Board.

H. Charter School Name Change

The Parties agree that, although Encore Corporation shall continue to operate Encore-Riverside pursuant to Education Code section 47604 and the terms of the Renewal Charter, it may be beneficial to change the name of the charter school to reflect its increased connection with the Riverside community under this MOU. As such, Encore Corporation may wish to propose a name change to the charter school when submitting revisions to the Renewal Charter in accordance with this MOU.

I. Additional Charter Revisions

After the new Charter School Board and management team is in place, the Renewal Charter shall be revised to address areas of deficiency noted in the District staff report dated February 18, 2020, and shall be submitted to the District no later than December 15, 2020. The Parties agree that such revisions, as well as any charter revisions required

by subsections V(A)(1), V(B)(1) and (V)(H) of this MOU, shall be to the satisfaction of District staff and shall not constitute a Material Revision under Education Code section 47607 such that District Board approval is required, but rather may be finalized with the approval of District staff. Nevertheless, depending on the extent of the changes, District staff may choose to bring the revised Renewal Charter Petition to the District Board.

J. Further Restructuring of Charter School

In the event the District is not satisfied with the progress being made by Encore-Riverside pursuant to the Corrective Action Plan set forth in this MOU, the District reserves the right to approach Encore Corporation about the possibility of further restructuring Encore-Riverside to separate from Encore Corporation and become a dependent charter school of the District with a new governing board fully selected by the District.

SECTION VI: NOTICES & CONTACTS

All formal notices, requests, submissions, and other communications under this MOU shall be in writing and sent to the following individuals as provided below, who shall serve as primary contact in this matter. Email communications, if receipt is confirmed, shall be sufficient to substitute for regular mail.

District
Riverside Unified School District
3380 14th Street
Riverside, CA 92501
Attn: Dr. Ryan Lewis, Asst. Superintendent

Encore Corporation
16955 Lemon Street
Hesperia, CA 92345
Attn: _____

SECTION VII: MODIFICATION / ENFORCEABILITY

This document constitutes the entire Memorandum of Understanding of the Parties with respect to the specific subject matter covered herein. This MOU shall only be modified in writing by the mutual agreement of the Parties. The waiver of any provision of this MOU must be in writing and signed by both Parties, and shall not constitute a waiver of any other provision of this MOU. If any provision of this MOU is for any reason held by a court of law to be invalid or unenforceable or contrary to public policy, or statute, the remainder of this MOU shall not be affected thereby and shall remain valid and fully enforceable.

[Signatures provided on following page]

SECTION VIII - SIGNATURES

The individuals signing this MOU warrant that they are authorized to sign on behalf of their respective organizations.

ENCORE EDUCATION CORPORATION
d/b/a/ Encore High School for the Arts - Riverside

Date

Denise Griffin, Chief Executive Officer

Suzanne Cherry, Board President

RIVERSIDE UNIFIED SCHOOL DISTRICT

Date

Mays Kakish, Chief Business Officer

Date

Lynn Carmen Day, Chief Academic Officer

ATTACHMENTS:

- Exhibit 1 – Job Description for Executive Director and CBO Positions
- Exhibit 2 – Fiscal Corrective Action Plan

EXHIBIT 1

EXECUTIVE DIRECTOR

Job Description

The Executive Director serves as the chief executive officer and the educational leader of the School, implementing the policy direction as set forth by the School's Governing Board. The Executive Director has the responsibility of overseeing the entire School operation and reports directly to the Governing Board of the School. He/she is responsible for providing the instructional, operational and administrative leadership including primary responsibility for achievement and financial performance.

Primary responsibilities include, but are not limited to:

- Is the primary agent for implementing the Governing Board's overall policy direction, and keeping the Board informed and involved regarding the impact of these policies.
- Acts as the primary liaison between the School and its stakeholders, including but not limited to parents, students, and staff.
- Acts as the primary liaison between the School and the Riverside Unified School District as the charter authorizer.
- Manages and directs the educational activities of the school by implementing instructional programs, including:
 - Guiding sound teaching techniques;
 - Overseeing the implementation of State standards;
 - Interpreting results of testing programs to teaching staff.
- Directs and supervises staff in the development and implementation of an effective standards-aligned instructional program.
- Supervises and directs the activities of the Programs Director to provide all arts-focused program activities.
- Provides leadership in identifying school needs and in determining goals and objectives for developing long and short range goals.
- Ensures that the school is fiscally sound and stable.
- Directly and via supervision of personnel and contracted providers, ensures that all compliance activities (fiscal, operational, governmental, statutory, etc.) are met as required.
- Plans and facilitates staff development activities and coordinate providers of staff development as applicable;
- Responsible for creating and sustaining a culture of arts-focused achievement.
- Accepts other responsibilities as assigned by the Governing Board.

Additional Qualifications:

- Experience and demonstrated commitment to ensure high academic achievement for diverse student communities.
- Successful management experience with a track record of effectively managing growth and change within a compliance framework.

- Ability to effectively assemble and motivate a team of professionals to achieve ambitious and measurable results.
- Ability to develop meaningful and collegial relationships with diverse stakeholders.
- Familiarity with the Inland Empire and the California public school community.
- Skill to creatively seek solutions through a collaborative process.
- A valid teaching and administrative credential.
- Experience as a classroom teacher and administrator, working with diverse student populations and the charter school environment, is highly desirable
- Experience with arts programs at a public school, ensuring standards-based compliance within an arts-focused environment is highly desirable

CHIEF BUSINESS OFFICER

Job Description

OVERVIEW:

The Chief Business Officer serves as the financial leader and steward of public funds of both charter schools within the Encore organization, implementing the fiscal policy direction as set forth by the School's Governing Board. Working in collaboration with the Executive Director, the Chief Business Officer has the responsibility of coordinating the financial operation of the Encore nonprofit corporation, ensuring compliance with all applicable standards of fiscal management and generally accepted accounting principles (GAAP), and reporting of current and projected fiscal status to the Governing Board and authorizing oversight entities.

ESSENTIAL DUTIES & RESPONSIBILITIES:

- Plan, organize, control, and direct the projects, activities and functions of financial services, operations and risk management/benefits.
- Oversee and coordinate all business operations, including but not limited to payroll, retirement benefits, cash management, bank reconciliations, accounts payable, accounts receivable, grant accounting, and internal /external reporting.
- Maintains internal controls and safeguards of cash, revenue, costs, school budgets, and actual expenditures to produce accurate and timely information. Ensures proper implementation of and provides training accordingly.
- Oversees treasury activities including the review of cash balances and projections, transferring of cash to and from the investment accounts (as applicable), and drawing on/repaying the line of credit (as applicable).
- Oversees the monthly and annual reconciliations and closings and works collaboratively with contracted backoffice provider to facilitate a smooth close and ensure charter authorizer deadlines are met.
- Supervise the Operations Director in ensuring school operations are provided in a timely, safe, and cost-effective manner.
- Works collaboratively with the contracted backoffice provider to ensure all applicable compliance activities and reporting is completed, certified and submitted as scheduled and in accordance to GAAP, and ensures all reporting and compliance to RUSD as authorizer is completed in full and in a timely manner.
- Maintains direct access and communication with Governing Board to ensure any irregularities or concerns with any aspect of the School's finances and/or operations are immediately brought to the Board's attention.
- Oversees the annual financial and governmental federal compliance audits (including but not limited to A-133 single audits, which include work paper preparation, liaison with auditors, and understanding of programmatic and financial requirements of government programs. Ensures audit issues are addressed promptly.
- Evaluates accounting and payroll related systems and interfaces, and work collaboratively with backoffice provider to implement upgrades when needed. Owns and implements streamlining of processes.
- Reports to the Audit Committee of the Board on cyclical audit and compliance agenda items and

to the Board on financial statement updates.

- Provides optimal internal communications for staff at all levels throughout the organization; creates and promotes a positive and supportive work environment.
- Actively seeks to improve and simplify the School's accounting approach with sustainable and scalable solutions. Includes the utilization of technology to eliminate inefficiencies while maintaining extremely high accuracy.
- Demonstrates knowledge of, and supports, the School's arts-focused mission, vision, value statements, standards, policies and procedures, operating instructions, confidentiality standards, and the code of ethical behavior.
- Performs other related duties as required and assigned.

Knowledge, Skills, and Abilities

- Proactive, hands-on strategic thinker who will own the function of accounting, payroll and retirement.
- Outstanding accounting, analytical, audit, and organizational skills.
- Personal qualities of integrity, credibility, and unwavering commitment to The School's mission.
- Solid experience overseeing audit activities and managing reports, payroll, accounts payable and receivable, general ledger, and payroll.
- Strong understanding of Federal and State grant compliance requirements.
- Experience in effectively communicating key data, including presentations to team, senior management, board or other internal and outside partners.

Minimum Requirements

- Bachelor's degree in finance, economics, accounting or other relevant degree required.
- 3-5 years of direct experience in a related position required.
- Public accounting experience preferred, charter school experience a plus. However, must have an understanding of GAAP accounting.
- Experience with financial management at a multi-campus public school highly preferred.
- Experience with an arts-focused school environment highly desirable.

EXHIBIT 2

FISCAL CORRECTIVE ACTION PLAN

1. By the beginning of the 2020-21 school year:

- a. A full-time on-site Chief Business Officer (“CBO”) will be hired by the new Charter School Board for Encore-Riverside, reporting directly to Charter School Board and ensuring compliance with all fiscal policies and generally accepted accounting principles at both schools.
 - i. The CBO will report directly to the new Charter School Board
 - ii. The CBO will act as direct liaison to DMS as backoffice provider – DMS works under the direction of CBO and Charter School Board.
 - iii. CBO will provide Monthly Financial Update reports (see below) to the Charter School Board and the Riverside Unified School District (“District”).
- b. All financial transactions (including all ASB accounts) handled by CBO (with reconciliations performed by back office provider or separate on-site back office staff as second set of eyes for proper accounting controls).
- c. Monthly Financial Updates will contain financial statements provided to Charter School Board and to the District, including year-to-date budget vs. actual comparison, income statement, balance sheet, general ledger detail, enrollment/ADA summary, debt summary and operating and ASB account bank reconciliations, by the 20th of each following month
- d. Audited financial statements reflecting clean audit for 2019-20 year, or if any findings, an audit committee will have been formed and a response will be included in the audit that corrects the problem to District satisfaction.

2. By six months (December 31, 2020):

- a. 2020-21 First Interim Budget shows positive operating surplus for 2020-21 and two subsequent fiscal years and a projected net asset balance as of June 30, 2021 at or above 3% of 2020-21 expenditures, based on reasonable projections

acceptable to the District and using an attendance ratio no higher than 3-year average (2017-18, 2018-19, 2019-20 actual ADA ratio, where ADA ratio is average attendance through P-2 vs. average enrollment through P-2, not P-2 ADA divided by CALPADS enrollment).

- b. Factoring (sale of receivables) replaced with loan/line of credit/revenue anticipation notes at lower overall cost of borrowing, with average outstanding balance for first six months of 2020-21 at least 25% below average outstanding balance for first six months of 2019-20.

3. By twelve months (by June 30, 2021):

- a. Continuation of all above steps (tests in 1.e above now apply to 2021-22 July Budget)
- b. Total short-term debt average outstanding balance for last six months of 2020-21 at least 30% below average outstanding balance for last six months of 2019-20.

4. By eighteen months (by December 31, 2021):

- a. Continuation of all above steps (using 2021-22 First Interim and 2020-21 audit)
- b. Short-term debt average balance now 25% below 2020-21.

5. By twenty-four months (by June 30, 2022):

- a. Continuation of all above steps.
- b. Estimated Actual net asset balance in excess of 10% of 2021-22 expenditures.
- c. No outstanding short-term debt as of June 30, 2022, or if this is not possible, an adjusted Debt Repayment Plan approved by District is in place prior to June 30, 2022, explaining why full paydown could not occur and with specific paydown dates within 2022-23 to become fully debt-free.

#



Exhibit
6.2

MARCH 17, 2020

Encore Education Corporation

Phone: (760) 949-2036

Fax (760) 956-3338

www.encorehighschool.com

Sites:

Hesperia

MEETING AT: 16955 Lemon Street, Hesperia, CA 92345 –
CLASSROOM F 29

Board Members:

Suzanne Cherry, Board President

Rob Gabler, Board Vice President

Kelly Ahmed, Board Secretary/Treasurer

Evelyn Rojas, Board Member

Paula Gharib, Board Member

Mari Miller, Board Member

INFO:

**CALIFORNIA SCHOOL FINANCE AUTHORITY (CSFA) 2020 LOAN AGREEMENT,
ENCORE EDUCATION CORPORATION AND CHARTER ASSET MANAGEMENT FUND,
L.P.**

**ENCORE EDUCATION CORPORATION, INC.
RESOLUTIONS OF THE BOARD OF DIRECTORS
(Approval of 2020 Working Capital Loan)**

WHEREAS, Encore Education Corporation, Inc., a California nonprofit public benefit corporation (“Corporation”), is organized for charitable purposes; and

WHEREAS, the Corporation operates the public charter school known as Encore High School for the Arts – Riverside (the “School”); and

WHEREAS, in connection with the loan to finance working capital for the School (the “Authority Loan”), the Corporation has applied to the California School Finance Authority (the “Authority”), which is created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (the “Act”) and is authorized to receive and accept from any source loans for, or in aid of, financing working capital (as defined in the Act) pursuant to the Act for a participating party (as defined in the Act), including a charter school established pursuant to the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the Education Code) (the “Charter School Law”); and

WHEREAS, the Corporation has identified Charter Asset Management Fund, LP, a Delaware limited partnership (the “Bank”) or an affiliate thereof as the source of a loan to the Authority (the “Bank Loan”), the proceeds of which will provide the capital the Authority will loan to the Borrower in the form of the Authority Loan; and

WHEREAS, the Bank requires that the Authority issue its promissory note (the “Authority Note”) to the Bank to evidence the Authority’s obligations to the Bank under the Loan Agreement relating to the Bank Loan and the Authority Loan, by and among the Bank, the Authority and the Borrower (the “Loan Agreement”); and

WHEREAS, the Authority Note will be secured by, among other things, an assignment of the Authority’s rights, title and interest in the Borrower Note (as defined in the Loan Agreement), the Borrower’s obligations under which shall be payable from an intercept of certain funds by the Controller of the State of California pursuant to Section 17199.4 of the California Education Code (the “Intercept”); and

WHEREAS, the Board finds that the terms of the foregoing transactions (collectively, the “Transactions”), are fair and reasonable as to the Corporation and the School under the circumstances, in the best interest of the Corporation and the School, and in furtherance of the charitable purposes of the Corporation; and

WHEREAS, there have been presented to this meeting proposed form of (i) the Loan Agreement and (ii) Security Agreement, dated as of September 27, 2018, as subsequently amended, including in connection with the execution and delivery of the Loan Agreement (the “Security Agreement” and, together with the Loan Agreement, the “Primary Transaction Documents”); and

WHEREAS, subject to the Authority's approval of the Authority Loan, the Board desires to authorized and approve, for and on behalf of the Corporation, the Transactions and the execution and

delivery (or approval, as applicable) of the foregoing documents and to ratify certain actions taken prior to the date of adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Transactions are hereby authorized and approved, provided that the principal amount of the Authority Note may not exceed \$2,500,000, and may be delivered on a tax-exempt or taxable basis, (b) the Authority Note must mature no later than 15 months from the loan date; and (c) Bank Loan proceeds received under the Loan Agreement must be used to fund the Authority Loan to the Borrower under the Loan Agreement. The Board hereby delegates to the Authorized Signatories the authority to make the final determinations relating to the Transactions subject to the parameters set forth above, and authorizes the execution, delivery and performance of the Primary Transaction Documents to which the Corporation may be a party and all such other documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (collectively with the Primary Transaction Documents, the “Transaction Documents”);

RESOLVED FURTHER, that the Board appoints following individuals, and each of them individually (each, an “Authorized Signatory”), as authorized signatories of the Corporation for purposes of executing the Transaction Documents on behalf of the Corporation:

1. [DENISE GRIFFIN]
2. [JOHN GRIFFIN]

RESOLVED FURTHER, that, pursuant to Section 17199.4 of the Education Code of the State of California, this Board hereby elects to participate in the Intercept to secure payment of the principal of and interest on the Bank Loan and Authority Loan in amounts not exceeding the amounts due from the School under the Loan Agreement, and the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to provide notice to the State Controller of the State of California or other applicable state agency of the State of California of such election of the Board;

RESOLVED FURTHER, that the forms of the Primary Transaction Documents as presented to this Board are hereby approved; and the Authorized Signatories, each acting alone or concurrently, are hereby authorized and directed to execute and deliver (or approve, as applicable) the Primary Transaction Documents in substantially the form presented to and considered at this meeting, with such changes therein or additions or supplements thereto as the Authorized Signatories executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

RESOLVED FURTHER, that all other actions and doings of the officers, agents and employees of the Corporation, including but not limited to the execution of other agreements, certificates, requisitions, instruments or documents, which are in conformity with the purposes and intent of this resolution and in furtherance of the execution and delivery of the Loan Agreement and the Transactions, shall be and the same hereby are in all respects ratified, approved and confirmed. Such agreements, certificates, requisitions, instruments or documents shall include, but not be limited to, such agreements, certificates, requisitions, instruments or documents as may be required for the Corporation to obtain the required forms of title insurance policies and endorsements thereto pursuant to the terms of the Loan Agreement, including without limitation each security agreement required under the Loan Agreement or otherwise.

Section 7. Other Prior Actions. All prior acts and doings of the officers, agents and employees or the Board of the Corporation which are in conformity with the purposes and intent of

this resolution and in furtherance of the execution and performance of the documents described herein and the execution and delivery of the Loan Agreement and in furtherance of the Transactions, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 8. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this resolution.

Section 9. Repeal of Inconsistent Provisions. All bylaws, orders, resolutions, agreements or parts of any thereof to the extent inconsistent with this resolution are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

Section 10. Effective Date. This resolution shall be in full force and effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Encore Education Corporation, Inc., at a special meeting thereof held March ____, 2020, by the following vote,

AYES:

NOES:

ABSENT:

ABSTAIN:

I, _____, Secretary of the Board of Directors of Encore Education Corporation, Inc., a California nonprofit public benefit corporation (the "Corporation"), hereby certify that the foregoing is a true copy of Resolution [] adopted by the Board of Directors of the Corporation at a meeting of said Board of Directors held March ____, 2020 and entered upon the regular minute book of the Corporation, and is now in full force and effect, and that the Board of Directors of the Corporation has and at the time of the adoption of said Resolution had full power and lawful authority to adopt said Resolution and to confer the powers thereby granted to the officers therein named, who have the full power and lawful authority to exercise the same.

Date

Secretary of the Board of Directors