

# MEMORANDUM OF UNDERSTANDING

Measure N Memorandum of Understanding  
Between Oakland Unified School District and East Bay Innovation Academy

## 1. PURPOSE OF MEMORANDUM OF UNDERSTANDING

1.1 The Oakland Unified School District (“OUSD”) and East Bay Innovation Academy (“Charter School”) (collectively “Parties”) enter into this MOU to ensure that revenues from the Measure N College and Career Readiness for All Act (“Measure N”) are spent in strict accordance with Measure N.

This Memorandum of Understanding (“MOU”) is an oversight and operational agreement that outlines and defines the Parties’ respective operational and reporting responsibilities for Measure N.

1.2 This MOU is aligned with the letter and intent of Measure N.

1.3 By approving the Charter School’s Measure N Education Improvement Plan (Single Plan for Student Achievement; “SPSA”), OUSD will provide certain oversight regarding the Charter School’s expenditures of Measure N and the Charter School’s adherence to the accountability measures of Measure N. However, the Charter School is solely responsible to ensure that expenditures are correct and consistent with Measure N.

1.4 OUSD and the Charter School recognize that not all requirements governing charter-charter authorizer relations, reporting, and oversight are memorialized herein, and therefore, the parties to this MOU agree that they are bound by and will comply with the law, including but not limited to, Education Code, and all other applicable statutes, rules, and regulations in addressing any matters not specifically addressed in this MOU.

## 2. TERM OF THE MEMORANDUM OF UNDERSTANDING

2.1 This MOU shall commence on the date upon which it is fully executed by the duly authorized representatives of the Parties and shall stay in effect until June 30, 2020, unless terminated earlier by OUSD. OUSD may terminate this MOU upon 30 days written notice to Charter School.

2.2 The MOU will automatically expire upon the non-renewal by the District and/or closure of the Charter School. Upon the non-renewal by the District and/or closure of the Charter School, the Charter School shall no longer be eligible to receive Measure N funds. The MOU will automatically expire upon the Charter no longer receiving Measure N funds.

2.3 This MOU may be reviewed annually, and may be amended or augmented by addendum at any time upon mutual written agreement.

2.4 The MOU is subject to early termination only as set forth in this MOU. Renewal of this MOU shall be based, in part, on compliance with terms set forth in this Agreement, OUSD board policy, and applicable law.

### 3. REQUIRED DOCUMENTATION

3.1 Charter School shall provide OUSD with the up-to-date versions of the documents listed and described in Schedule A, attached and incorporated herein by reference, on or before the due dates specified therein.

3.2 Charter School shall promptly respond to all reasonable inquiries by OUSD and/or the Measure N Commission ("Commission"), their respective designees or agents, and/or any other authorized agency, including but not limited to financial inquiries relating to the Charter School.

3.3 The Charter School shall maintain all documentation that demonstrates the supplemental and permissible nature of expenditures funded by Measure N.

### 4. FUNDING

4.1 The Charter School shall be entitled to receive reimbursement for Measure N funds expended for a per pupil allocation of \$200, for a total amount not to exceed \$32,800.00, for each OUSD resident enrolled in the Charter School.

4.2 The Charter School shall not receive reimbursement of Measure N funds, as set forth in Section 4.1, unless the Charter School has first met all of the following requirements:

- (a) Charter School Charter School has submitted a SPSA and budget to the Commission and OUSD Governing Board ("Board"), and received approval for the SPSA and budget from both the Commission and Board.
- (b) Charter School commits to developing a Career Academy structure, either as a school or as a program within a larger school.
- (c) Charter School commits to making strategic investments in each of OUSD's 4 Pillars of Linked Learning: Rigorous Academics, Career Technical Education, Work Based Learning, and Integrated Student Supports.

- (d) Charter School commits to using revenue received from Measure N only for educational services that are supplemental to the base program, and not to supplant, or replace, funds from any governmental funding sources.
- (e) Charter School commits to identifying specific goals to decrease academic outcome disparities for academically low-achieving students.

Items (b) through (e) of this provision will be memorialized by the Charter School in a resolution by its governing board.

4.3 OUSD will reimburse the Charter School's approved Measure N expenditures on a quarterly basis, in accordance with the timeframes set forth in Schedule A, conditional upon the following:

- (a) Measure N funds are being collected during the fiscal year by Alameda County.
- (b) The Charter School is in compliance with this MOU and Measure N. And,
- (c) There are no outstanding findings of unauthorized expenditures of the Charter School as outlined by the Measure N Permissible Expenditures for that year.

The Parties understand that in the event that such funds are not received in a timely manner by the District due to delays at the County level, such funds shall be provided to the Charter School as soon as practicable after such funds are made available to OUSD. Schools will not be reimbursed for expenses that are determined to be supplanting, non-permissible or not pre-approved.

4.4 Charter School will use all revenue received from Measure N, or for which the Charter School is reimbursed from Measure N, only for approved supplemental expenditures that benefit the 9th-12th grade students enrolled in and attending the Charter School. Funding must be used in accordance with the letter and intent of Measure N, Measure N Guide and Permissible Expenditures for that academic year, and must follow the Charter School's SPSA.

4.5 Charter School will use all revenue received from Measure N only for the educational services that are supplemental (increase the level of services) and not to supplant (replace) funds from any governmental funding sources. Any program activity required by state law, State Board of Education ("SBE") rules, or local board policy may not be paid for with these funds. State or local funds may not be decreased or diverted for other uses merely because of the availability of these funds. Charter School must maintain standard documentation (Duty statements, invoices, receipts, general ledger using the state approved chart of accounts, master schedule, etc) that clearly demonstrates the supplementary nature of these funds as required by law, generally accepted accounting practices, reasonable business standards, and/or as stated in this MOU.

4.6 The Charter School is solely and individually responsible for ensuring that the parcel tax revenues it receives are spent consistent with the purpose of Measure N.

## 5. QUARTERLY FINANCIAL REPORTING

5.1 The Charter School shall treat Measure N as a restricted funding source and will use a chart of accounts to reflect the restricted nature of this funding.

5.2 The Charter School shall provide OUSD with the documents listed and described in Schedule A as stated in Section 3.1 on or before the designated due date.

5.3 The Charter School shall allow a minimum of 2 weeks, but no more than 4 weeks, for OUSD to review the Charter School's submitted quarterly financial report, along with supporting documentation, and to raise reasonable questions or concerns with the Charter School before reimbursement is issued.

## 6. ANNUAL AUDIT

6.1 Charter School shall request that its annual independent internal audit include an audit, pursuant to generally accepted accounting practices, ensuring that Measure N receipts and expenditures are within the permissible use of Measure N, comply with the SPSA, and supplement rather than supplant the Charter School's program.

6.2 As specified in Schedule A, the Charter School shall submit its annual independent financial audit to OUSD.

6.3 The Charter School shall fulfill all requests made by auditors completing the annual Measure N audit.

## 7. MONITORING AND OVERSIGHT

7.1 An infraction of the MOU shall include the following actions:

- (a) missing a deadline for providing full documentation (as outlined in Schedule A) by more than 2 weeks
- (b) not attending two scheduled meetings

(c) not responding to a reasonable request from OUSD (as outlined in 3.2) within 2 weeks of OUSD making such a request.

If the Charter School commits two infractions during the term of this MOU, the Charter School will receive a Notice of Concern from OUSD. If the Charter School commits a third infraction and/or does not respond to the Notice of Concern in the outlined timeframe, OUSD reserves the right to void the next quarterly reimbursement of Measure N funds and move it to the Measure N Contingency Fund.

7.2 In the event the Charter School is unable to complete quarterly reporting requests and/or audit requests and is delinquent in providing documentation of the same (as outlined in Schedule A) by 4 weeks or more, OUSD reserves the right to withhold the quarterly reimbursement of Measure N funds until the latter of: a) the next quarter, or b) until the outstanding documentation has been provided to, and reviewed by, OUSD.

7.3 In the event an audit finding is determined, Charter School Measure N funds from the current year and/or subsequent year will be reduced, as necessary, to implement financial corrective action.

## 8. CHARTER SCHOOL CLOSURE

8.1 In the event that the Charter School is closed or the Charter School no longer receives Measure N funds, any Measure N funds that were not expended by the Charter School will be returned to OUSD and moved to the Measure N Contingency Fund.

## 9. INDEMNIFICATION

9.1 The Charter School shall promptly defend, indemnify, and hold harmless OUSD, its officers, directors, employees, agents, representatives, volunteers, administrators, successors, and assigns from and against any and all alleged or actual breach of any obligation imposed under this MOU, including but not limited to any issue arising from a non-permissible funding expenditure by the Charter School, or any other actual or alleged breach of any duty or obligation owed to OUSD or any third party by the Charter School or its officers, directors, employees, agents, representatives, volunteers, guests, students, administrators or trustees, successors or assigns.

10. ENTIRE AGREEMENT; COUNTERPARTS

10.1 This MOU and attached schedules contain the entire agreement of the Parties with respect to the matters covered herein, and supersede any oral and written understandings or agreements between the Parties with respect to the subject matter of this MOU. This MOU may be executed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed by duly authorized officers or representatives set forth below and to be effective for the term of one fiscal year, from July 1, 2019 through June 30, 2020.

Charter School Representatives

OUSD Representatives

Michelle Cho  
Print Name: Michelle Cho  
Title: COO/CEO  
Date: 6/11/19

\_\_\_\_\_  
Preston Thomas,  
High School Network Superintendent  
Oakland Unified School District

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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Sondra Aguilera, Chief Academic Officer  
Oakland Unified School District

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Aimee Eng, Board President  
Oakland Unified School District

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Kyla Johnson-Trammell  
Superintendent and Secretary  
Oakland Unified School District

\_\_\_\_\_  
General Counsel  
Oakland Unified School District

Approved and ratified this \_\_\_\_ day of \_\_\_\_\_, 2019 by Oakland Unified School District Board of Education by the following vote:

OAKLAND UNIFIED SCHOOL DISTRICT  
SCHEDULE A  
MEASURE N CHARTER SCHOOL REPORTING AND MONITORING ACTIVITY

All information and documents listed below are to be provided to the Oakland Unified School District by the date shown, unless another date is specified. Annual updates are required by the dates noted on the schedule.

Item	Description	Due Date
2019-20 Charter School Unaudited Actuals Quarterly Expenditure Report	Report on Measure N expenditures per quarter	Quarter 1: October 31, 2019 Quarter 2: January 31, 2020 Quarter 3: April 30, 2020 Quarter 4: July 31, 2020
Supporting Documentation for Charter School Unaudited Actuals Quarterly Expenditure Report	Please review the <u>Measure N Guide</u> and Permissible Expenses for that academic year	Quarter 1: October 31, 2019 Quarter 2: January 31, 2020 Quarter 3: April 30, 2020 Quarter 4: July 31, 2020
Charter School Independent Financial Audit	Submission of Independent Auditor's Report	Within 30 days of the audit being complete
Preliminary 2019-20 Budget	Budget for projected Measure N allocation for new fiscal year; completed using Measure N Education Improvement Plan (SPSA) template, with additional information as requested	March - April 2019  <i>*Specific date subject to change, budget submitted to Measure N Commission as part of Measure N Education Improvement Plan (SPSA)</i>
2019-20 Charter Management Organization Meeting Attendance	CMO leader or designee must attend quarterly meetings	Dates to be determined at the beginning of the school year  <i>At least 7 days notice to be given prior to any changes in the meeting schedule</i>