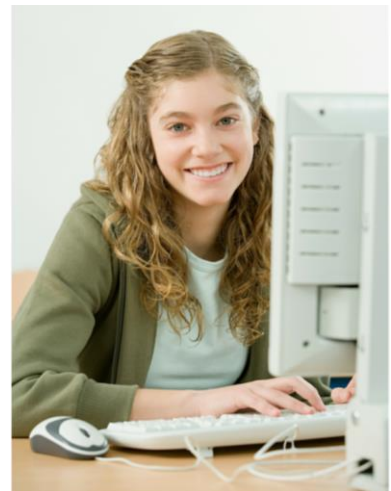
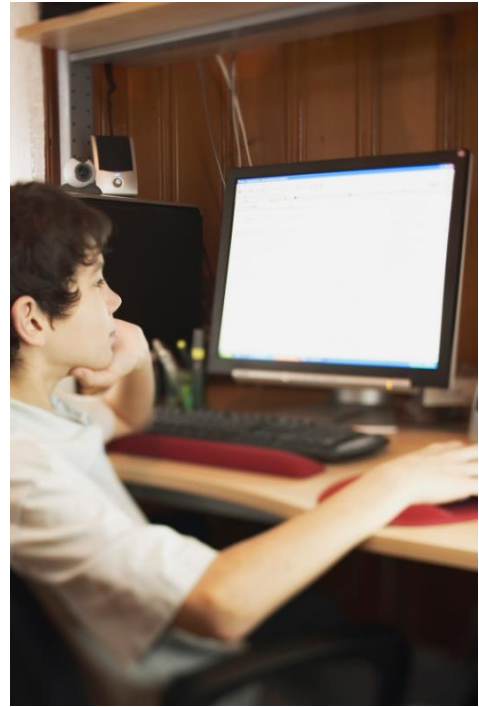
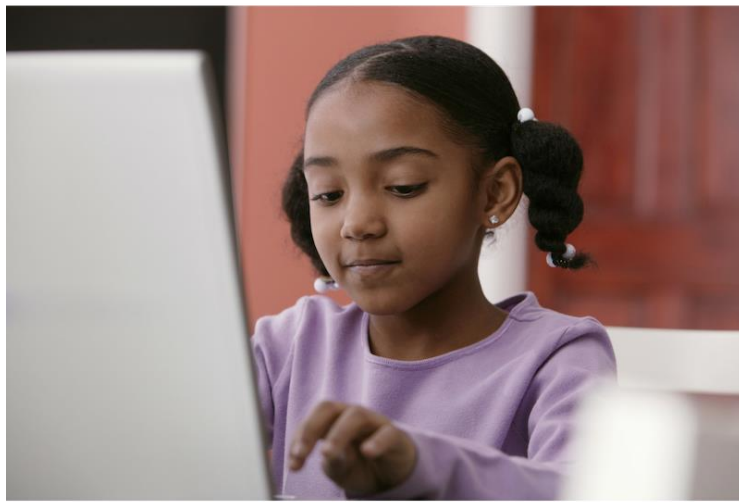


# Georgia Connections Academy

## Annual Report

December 2018



Prepared by the Georgia Department of Audits and Accounts  
Greg S. Griffin, State Auditor





## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

**Greg S. Griffin**  
STATE AUDITOR  
(404) 656-2174

December 27, 2018

The Honorable Nathan Deal, Governor  
The Honorable Casey Cagle, Lieutenant Governor  
The Honorable David Ralston, Speaker of the House  
Members of the State Charter Schools Commission  
Members of the State Board of Education

Ladies and Gentlemen:

In accordance with the O.C.G.A. § 20-2-2093, we have completed our annual report on Georgia Connections Academy for the 2017-18 school year.

The information used in the report was obtained from a number of sources, including the Georgia Department of Education (GaDOE), the State Charter Schools Commission (SCSC), the Governor's Office of Student Achievement (GOSA), Georgia Connections Academy, and the school's financial audits. As an annual report, the review was not conducted in accordance with generally accepted government audit standards. However, we used information from the source deemed most reliable and assessed all information to determine if it was reasonable.

We appreciate the cooperation and assistance provided by Georgia Connections Academy, SCSC, GaDOE, and GOSA during the review.

Respectfully submitted,

Greg S. Griffin  
State Auditor

GSG/mt

---

### *Mission Statement*

*The Department of Audits exists to provide decision-makers with credible management information to promote improvements in accountability and stewardship in state and local government.*



## Table of Contents

<b>Enrollment &amp; Attendance</b> .....	1
School Enrollment .....	2
Student Attendance .....	6
Attrition .....	7
Student Persistence .....	9
Course Segment Completion Rate .....	11
Student Engagement .....	12
 <b>Academic Achievement</b> .....	 13
College and Career Ready Performance Index (CCRPI) .....	14
Value Added Analysis .....	17
Beating the Odds Analysis .....	18
Other Academic Goals .....	18
Comparison of Academic Growth and Achievement Prior to Placement .....	19
Analysis of Alternative Academic Options .....	21
 <b>Management &amp; Staffing</b> .....	 25
Agreements for Corporate Management Services .....	26
Governance and Management .....	27
Staffing and Teacher Qualifications .....	29
Development Plans for Leadership with No Administrative License .....	32
 <b>Operations &amp; Planning</b> .....	 33
School Finances .....	34
Academic Performance as a Ratio of Per-Student Expenditures .....	37
Innovative Practices and Implementation .....	37
Future Goals and Plans .....	38
 <b>Appendix A</b> .....	 
Georgia Connections Academy's Educational Products and Services Agreement, 2013 - 2018 .....	39



## Enrollment & Attendance

Georgia public schools are responsible for tracking and reporting data for student enrollment and attendance. This section contains enrollment, attendance, and various statistics which indicate the level of student participation at Georgia Connections Academy. Key points in this section include:

- Connections' total enrollment is slightly less than 4,000 students annually, and student demographics are similar to Georgia's public school students. The exception was the school's significantly lower percentage of economically disadvantaged students in the 2017-18 school year.
- Student attendance at Connections is higher than most schools. The variance may be partially attributed to the methodology Connections uses to calculate attendance, which is necessarily different than a traditional brick-and-mortar school. This variance can also be attributed to the ease of access to education associated with virtual schools.
- Like many virtual charter schools, Connections has relatively high withdrawal and student mobility rates. Nearly one-third of students withdrew before the end of the 2017-18 school year, with many transferring to another Georgia public school or to home schooling. The school's student mobility rate, which captures enrollments and withdrawals between October and May, was 41%, higher than the statewide median rate of 16%.
- Of students who completed the 2016-17 school year at Connections, approximately 70% returned the following year. The retention rates were highest in high school, reaching approximately 90% for those in 11<sup>th</sup> grade in 2016-17.
- In the 2017-2018 school year, the overall course segment completion rate was 95%, with completion rates generally higher as the student grade level increased. The rate of students completing courses with a passing grade was 76% across all grade levels.
- Connections measures student engagement by tracking factors such as attendance, frequency of assignment submissions, frequency of teacher contact, and others. During the 2017-18 school year, approximately 22% of students were deemed in need of some type of intervention at some point due to these measures.

## School Enrollment

Connections, which serves grades kindergarten through 12 had 3,885 students in the 2017-18 school year. This was approximately 3% less than the 2016-17 school year.<sup>1</sup> As shown in **Exhibit 1**, the number of students in most of the subgroups tracked by Georgia Department of Education (GaDOE) was similar over the two years, though the number classified as economically disadvantaged dropped by nearly 600.

### Exhibit 1

#### Connections enrollment, 2016-17 to 2017-18 school years

	2016-17	2017-18
<b>Total Students</b>	3,987	3,885
<b>Gender</b>		
Male	1,859	1,794
Female	2,128	2,091
<b>Race</b>		
Hispanic	298	308
American Indian	11	15
Asian	94	76
Black	1,380	1,343
Pacific Islander	4	2
White	1,992	1,931
Two or More Races	208	210
<b>Other Subgroups</b>		
Student With Disabilities	416	448
English Language Learners	20	21
Economically Disadvantaged	1,765	1,123

Source: GaDOE student enrollment records

Connections has a racially diverse student population, somewhat similar to the demographics of Georgia's public school students. As shown in **Exhibit 2**, Connections' student body has a greater portion of white students than the statewide enrollment and a smaller portion of Hispanic and Asian students in 2017-18.<sup>2</sup>

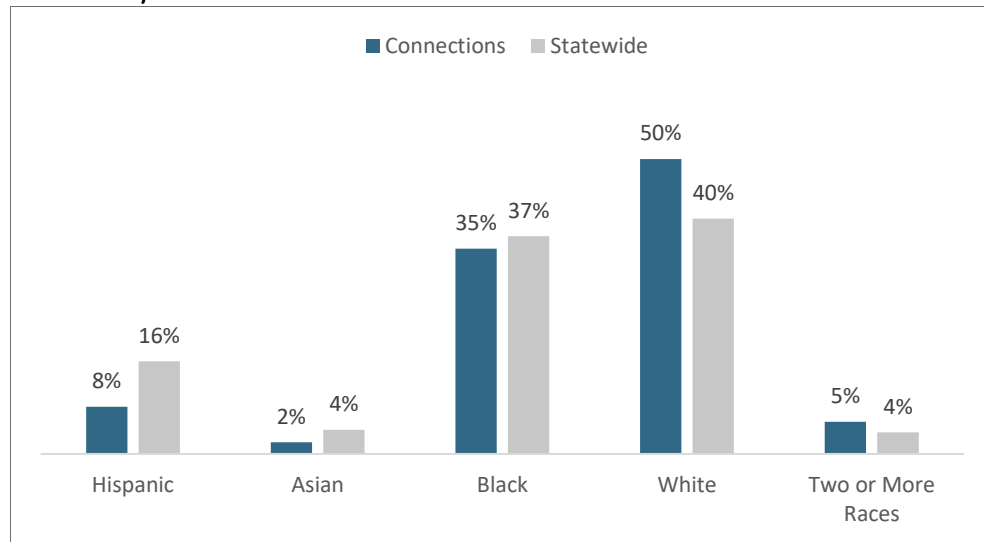
---

<sup>1</sup> For school funding purposes, student enrollment is captured during October and March full-time equivalent (FTE) counts. GaDOE uses the October count when reporting enrollment for a school year.

<sup>2</sup> GaDOE defines economically disadvantaged as the number of students eligible to receive free or reduced-price meals. However, Cyber does not serve lunch.

## Exhibit 2

White students represent a greater portion of Connections' enrollment, 2017-18 school year<sup>1</sup>



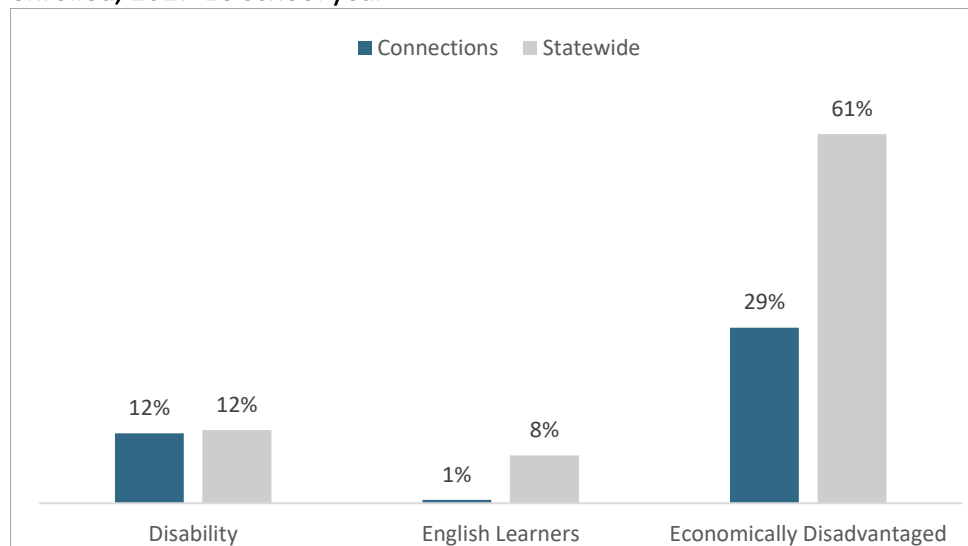
Source: GaDOE student enrollment records

<sup>1</sup>Total enrollment for American Indian and Pacific Islander students was less than 1% each.

When looking at the other subgroups identified in federal law, Connections had a similar portion of students with a disability as the statewide public school population. However, the portion who were English language learners or economically disadvantaged was significantly lower than the statewide population. As shown in **Exhibit 3**, only 1% of Connections students were English language learners, compared to 8% statewide in 2017-18. The school's economically disadvantaged population was 29%, compared to 61% statewide.

## Exhibit 3

Connections has a smaller percentage of economically disadvantaged students enrolled, 2017-18 school year

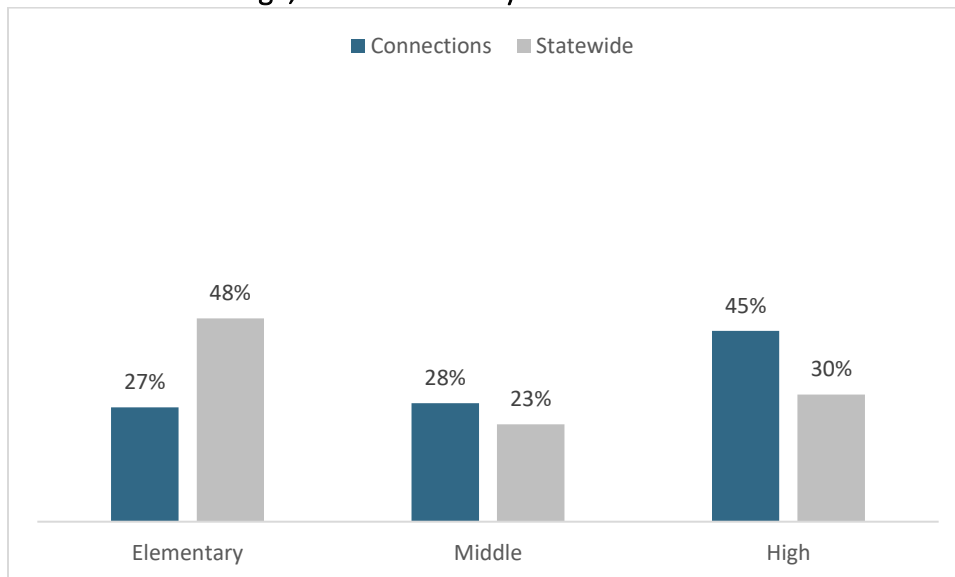


Source: GaDOE student enrollment records

Connections had a smaller percentage of students in elementary school and higher percentages in middle school and high school than statewide public school enrollment (see **Exhibit 4**). Nearly half of all Georgia public school students were in elementary school during the 2017-18 school year, but the percentage was just 27% for Connections. Over 40% of Connections' students were in high school, significantly higher than the statewide number.

#### Exhibit 4

Connections had a high portion of middle school and high school students than the statewide average, 2017-18 school year

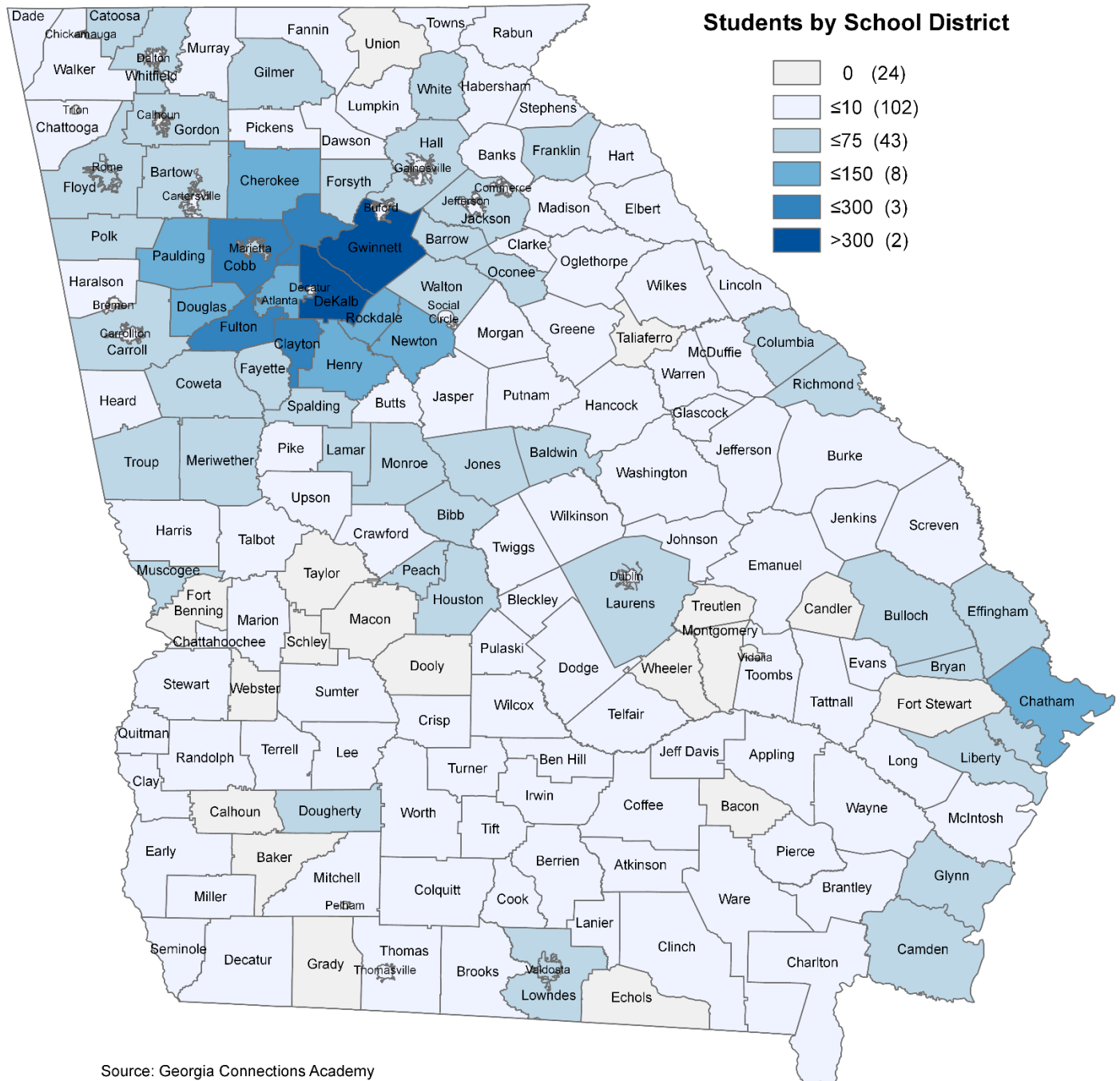


Source: GaDOE student enrollment records

As shown in **Exhibit 5**, most Connections students are from metropolitan Atlanta, with more than 300 enrolled students residing in the Gwinnett and DeKalb school districts. There are between 151 and 300 students from three districts. All but 24 school districts have residents enrolled at Connections.

## Exhibit 5

Students enrolled at Connections are primarily located in the Atlanta metropolitan area, 2017-18 school year<sup>1</sup>



<sup>1</sup>In addition to the state's 180 public school districts, the map shows Fort Benning and Fort Stewart as separate school districts. Total districts = 182.

## Student Attendance

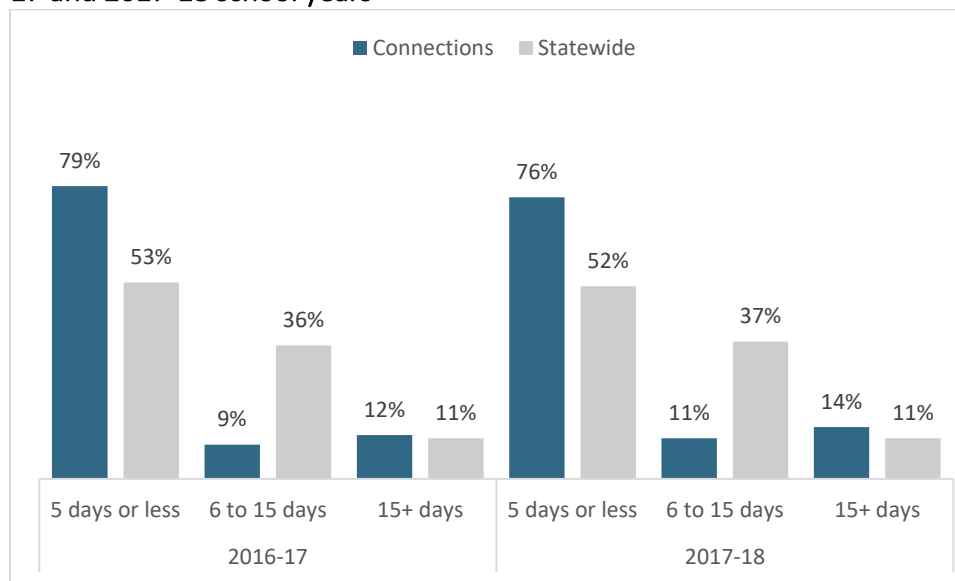
Student attendance is one predictor of academic performance in school. Low attendance rates are associated with decreased achievement in school and higher high school dropout rates. Measuring attendance in a traditional, brick-and-mortar school is relatively straightforward: a student is present if they are present in the classroom. Attendance in a virtual environment is less obvious. Because students may attend live lessons, view recorded lessons, or work offline, virtual schools may use a variety of methods to gauge attendance. Typical considerations include assignments submitted, teacher interactions, login data, and self-reported records provided by students or their learning coach (i.e., adult monitoring the student at home).

Connections calculates attendance based on submissions made by the learning coach. Connections asks that the learning coach enter attendance daily. Students in the 6<sup>th</sup> - 12th grades are expected to complete 28 hours of school per week, while students in grades K-5 must complete between 22.5 and 25 hours. Connections employs an attendance coordinator who compares attendance reported by the student's learning coach with student logins, assignment submissions, and teacher interactions. If the attendance coordinator determines that student logins and assignment submissions are not compatible with the attendance records submitted by the learning coach, the coordinator can adjust the student's recorded attendance.

For each school's annual report card, the Governor's Office of Student Achievement (GOSA) calculates the percentage of students who missed 5 or fewer days of school, 6 to 15 days, and more than 15 days. In the 2017-18 school year, approximately 76% of Connections students missed five or fewer days of school, compared to just 52% of the students across the state (see **Exhibit 6**). Connections' students were also more likely to miss more than 15 days in a school year.

### Exhibit 6

Connections has an attendance rate higher than the statewide average, 2016-17 and 2017-18 school years



Source: GaDOE student enrollment records

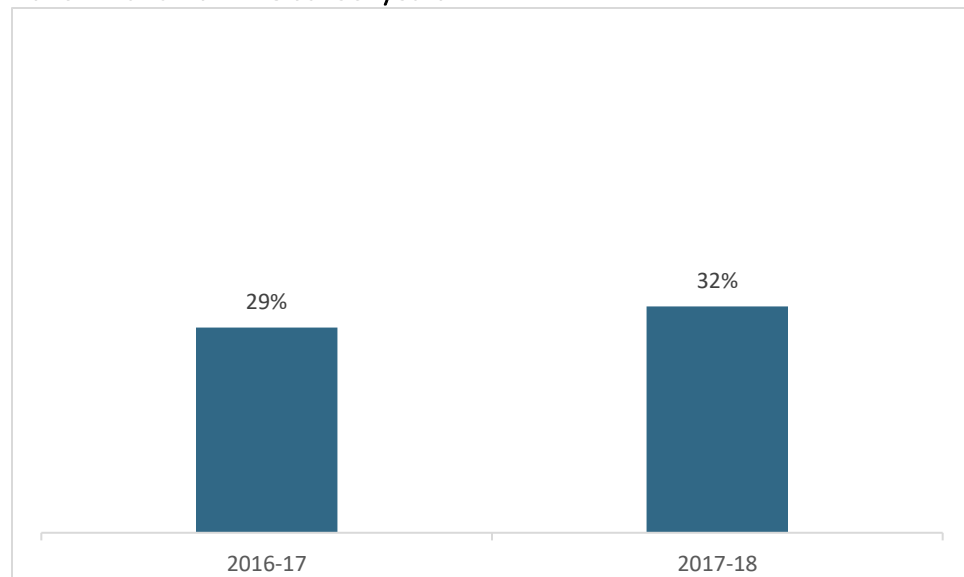
## Attrition

Virtual charter schools normally experience a high amount of student mobility, or attrition through withdrawals. Withdrawals serve as the basis to calculate school attrition, which refers to students who are enrolled in school but withdraw prior to the end of the school year. In a virtual school, some students withdraw because they determine that they are not well-suited for a virtual education, lacking the discipline or educational support at home. Others may have enrolled to satisfy temporary needs (e.g., health issues, extracurricular activities, family issues) without an intention to remain in the school throughout the year. Regardless of the reason for withdrawals, changing schools can negatively impact student performance. Curriculum can vary among school districts and different teachers and classrooms move at different paces.

As shown in **Exhibit 7**, nearly one-third of students enrolled in Connections during the 2016-17 and 2017-18 school years withdrew before the end of the school year. In 2017-18, 4,993 students enrolled at Connections at some point during the school year and 1,587 withdrew prior to the end of the year.

### Exhibit 7

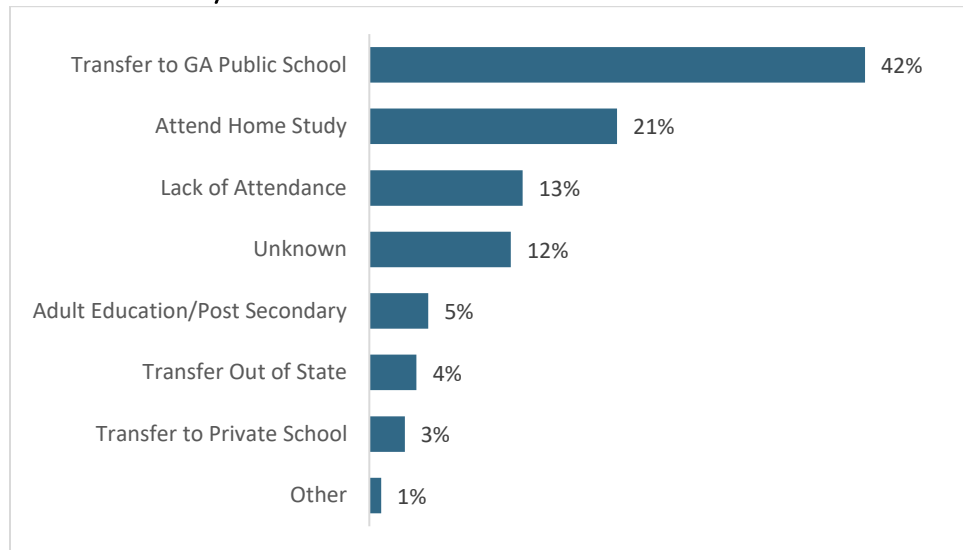
Nearly one-third of students enrolled at Connections withdrew during the 2016-17 and 2017-18 school years



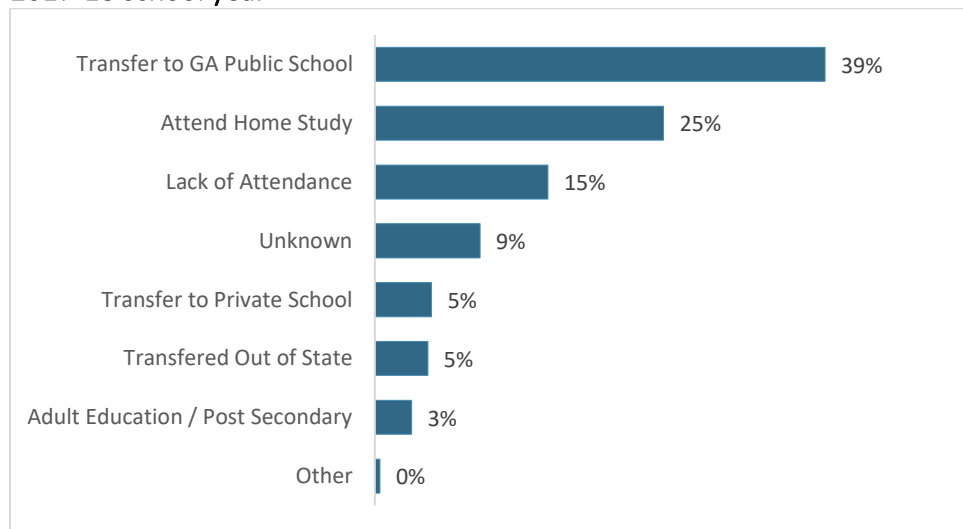
Source: GaDOE student enrollment records

As shown in **Exhibit 8**, the most common reason for student withdrawal from Connections during the 2016-17 and 2017-18 school years was transferal to another Georgia public school, while a significant portion opted for home schooling. Approximately 600 students transferred to another public school each school year, representing approximately 40% of withdrawals in each year. Home study increased from 299 students in 2016-17 to 392 students in 2017-18, representing 21% and 25% of withdrawals, respectively. Connections also removed more than 10% of students for non-attendance in each year.

**Exhibit 8**  
**Reported reasons for student withdrawal from Connections**  
**2016-17 school year**



**2017-18 school year**



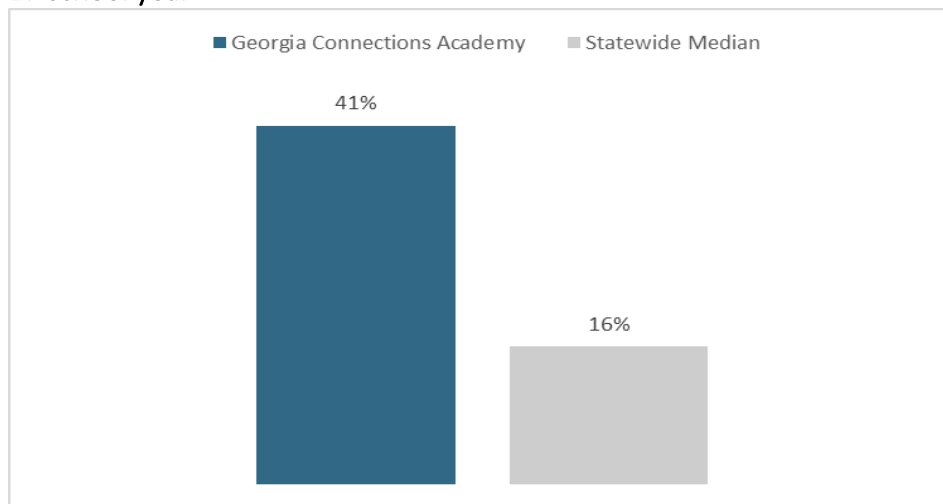
Source: GaDOE student enrollment records

GOSA also calculates a student mobility rate based on entry and withdrawals during the school year. GOSA determines this student mobility rate, also known as a “churn” rate, for all Georgia schools. The rate measures the percentage of a school’s students who entered or withdrew from a school between October 1 and May 1. Because the churn rate also includes students who entered school in its calculation, it is slightly different from the withdrawal rate.

As shown in **Exhibit 9**, Connections had a student mobility rate of 41% during the 2016-17 school year. The school’s rate is more than twice the statewide median rate. Research indicates that virtual schools generally have higher turnover rates than brick-and-mortar schools.

### Exhibit 9

Connections' student mobility rate is over double the statewide median, 2016-17 school year



Source: GOSA analysis

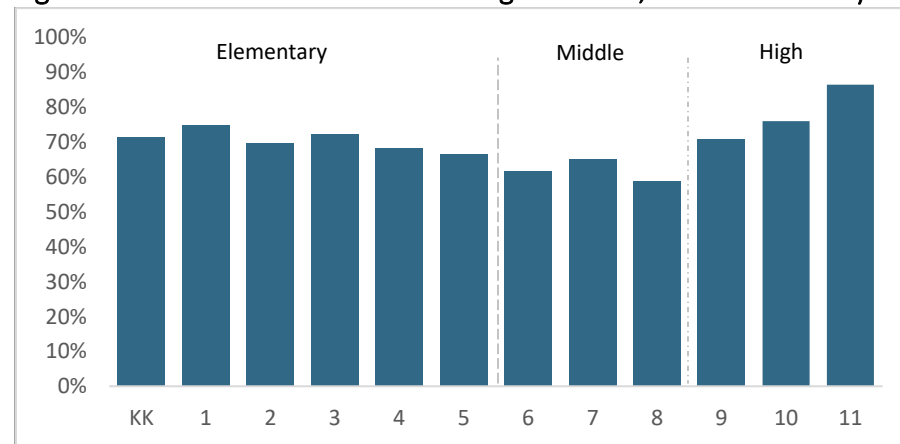
### Student Persistence

Student persistence is the act of continuing towards an educational goal. It is a measure generally used in the postsecondary education environment, when students can more easily discontinue their education. Student persistence can be measured by a year-to-year retention rate for a school and can provide a proxy measure for students' satisfaction with the learning environment at their school.

We found that 70% of students who completed grades between kindergarten and 11<sup>th</sup> grade in the 2016-17 school year returned the following year. High school students were most likely to remain at Connections across the two years, while middle school students were the least likely to be retained (**Exhibit 10**). Nearly 90% of 11<sup>th</sup> graders in 2016-17 returned the next year, compared to 59% of those in 8<sup>th</sup> grade.

### Exhibit 10

High school students re-enroll at the highest rates, 2017-18 school year

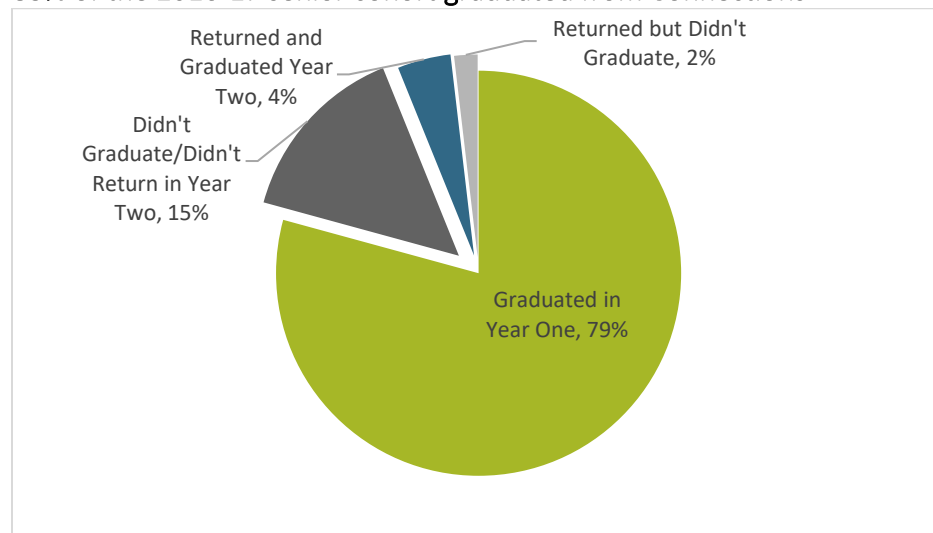


Source: GaDOE student enrollment records

We also looked at the persistence of students who are likely old enough to discontinue their education – non-graduating seniors. In the 2016-17 school year, approximately 20% of seniors did not graduate. Of those non-graduating students, about one-third re-enrolled the following year and most of those graduated, resulting in an additional 4% of 2016-17 seniors graduating from Connections in the following year (see **Exhibit 11**).

### Exhibit 11

#### 83% of the 2016-17 senior cohort graduated from Connections



Source: GaDOE student enrollment records

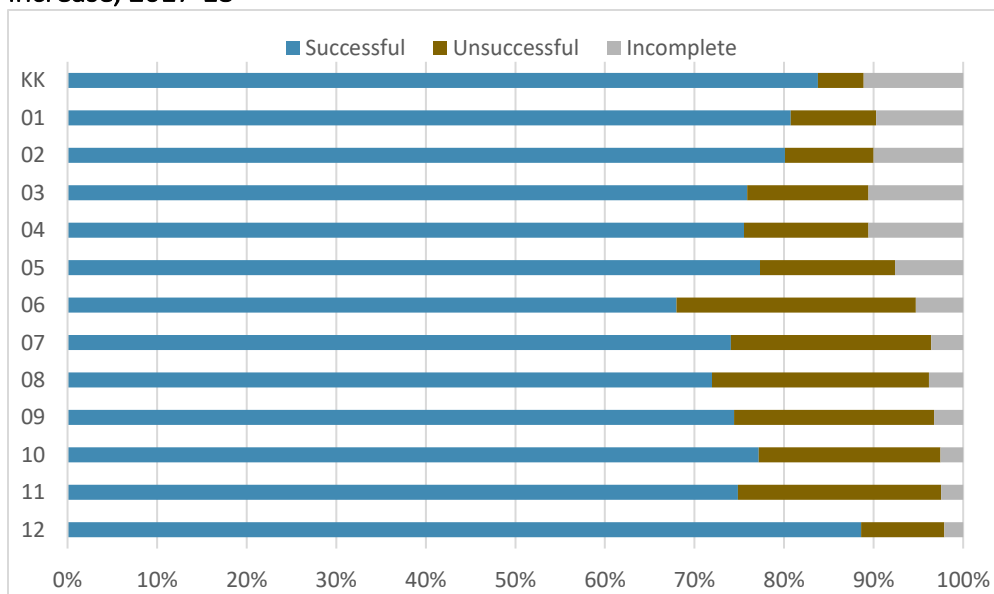
## Course Segment Completion Rate

Given student mobility and attrition, not all students will complete their enrolled courses. GaDOE data does not permit a determination of the percentage of students who complete a course, but we were able to determine the portion that complete a course segment. A yearlong course will often have two segments (first and second semester). Completing a single segment in a multi-segment course does not result in academic credit; a passing grade in the final segment is required.

In the 2017-18 school year, the overall course segment completion rate was 95% (see **Exhibit 12**); the rate for core courses (English language arts [ELA], math, science, and social studies) was 96%. The completion rates were generally higher as the student grade level increased. The rate of students completing courses with a passing grade (i.e., successful completions) was 76% across all grade levels, with the highest levels in early elementary grades and in grade 12. The percentage of students who completed the course with a failing grade (i.e., unsuccessful completions) was highest in grade six.

### Exhibit 12

Course segment completion rates at connections increase as grade levels increase, 2017-18



Source: GaDOE course records

## Student Engagement

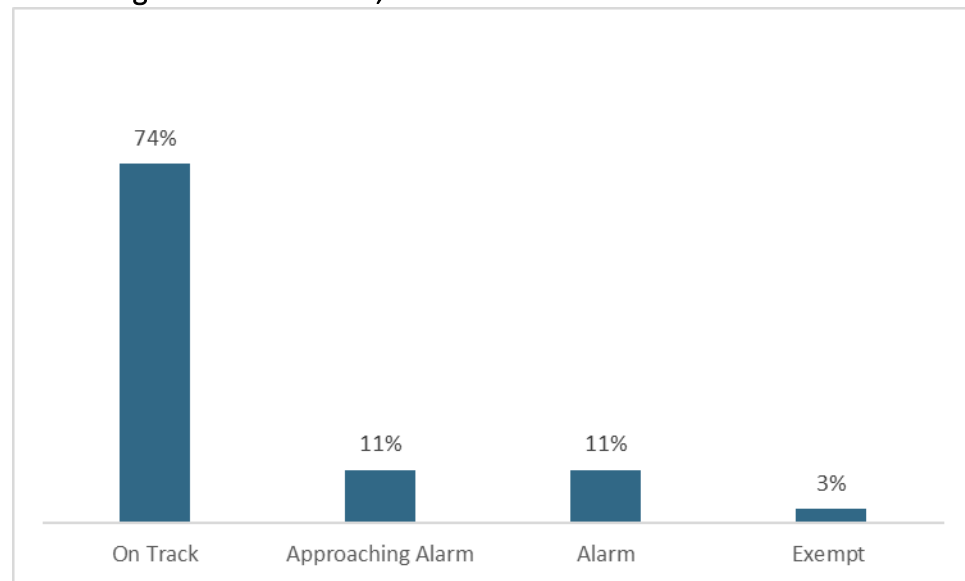
Student engagement is the degree to which students are attentive and interested in their coursework, and engaged students are more likely to perform well in school. Common measures of engagement, such as students raising their hands to pose or answer questions, participation in class discussion, or interactions between teachers and students in the classroom, are not available in an online environment. As such, virtual schools must develop systems to define and capture student engagement.

Connections measures student engagement through an “Escalation System” developed by the school. The system places students into one of three categories—on track, approaching alarm, and alarm—based on factors such as attendance, frequency of assignment submissions, frequency of contact with a teacher, and others. If a student consistently submits assignments, interacts with teachers, and has grades over the required percentage, the student is on track. Students who do not meet the standards are moved into approaching alarm status, with continued non-compliance leading to a student being placed into alarm status.

During the 2017-18 school year, 3,448 students participated in Connections’ Escalation System. As shown in **Exhibit 13**, Connections reported that 74% remained on track. The approaching alarm and alarm categories had 11% of students each. Approximately 3% of students were exempt from the system due to being enrolled for fewer than 21 days.

### Exhibit 13

Most students at Connections are reported to be engaged in coursework and submitting materials on time, 2017-18



Source: Connections Escalation Report System

## Academic Achievement

Charter schools are expected to use their flexibility from certain state and local rules to raise student achievement. There are numerous methods used to measure academic achievement in Georgia's public schools. Key points in this section include:

- Georgia Connections Academy's College and Career Ready Performance Index (CCRPI) scores were slightly below the state average for the elementary, middle, and high schools, though student performance was better in English language arts (ELA). As part of the CCRPI score, the school earned high marks for "closing gaps," indicating improvement in scores among student subgroups.
- The value added impact score for Connections is lower than its comparison district for elementary and middle schools and lower in most high school subjects. Connections' impact score exceeds the comparison district in 9<sup>th</sup> grade Literature and American Literature.
- In comparison to similar schools during the 2016-17 school year, Connections' performance was lower and therefore it was not Beating the Odds.
- Student performance generally declined in the first year at Connections, when compared to student performance in the previous year at a brick-and-mortar public school. Assessment test scores indicate that first-year performance was similar in ELA, but students were less likely to be proficient in math, science, and social studies.
- Alternate options for students enrolled at Connections include attending a local district school, private school or home school. While local school district schools are available to all students, whether Connections students are likely to live near a school with a higher CCRPI score varies by grade level. Private schools charge tuition and may have attendance restrictions that limit the option for some students.
- Almost 80% of Connections' new student enrollments for 2017-18 transferred from another Georgia public school. Some new students also transferred from home school (13%) and private school (6%).
- Student mobility is among the factors that may negatively influence outcomes for some students, and student mobility is much higher in virtual schools than brick-and-mortar schools (see page 9). Student mobility includes anytime a student changes schools for reasons other than grade promotion, but often refers to students changing schools during the school year. Various studies have linked student mobility with lower school engagement, poorer grades and increased high school dropout rates. Research indicates that mobility may be more detrimental for students in early grades, which is the period when students learn many of the foundational skills necessary for success in later grades.

## College and Career Ready Performance Index (CCRPI)

The College and Career Ready Performance Index (CCRPI) is an accountability tool the state uses to measure performance and hold schools accountable for student achievement. The CCRPI provides multiple measures of student performance. GaDOE redesigned the framework for measuring and reporting CCRPI and implemented the new methodology beginning in 2017-18.

CCRPI is comprised of four main indicators used to assess students in multiple areas. All students are assessed based on content mastery, progress, closing gaps, and readiness. An additional assessment, a graduation rate, is also included for fourth- and fifth- year high school students. **Exhibit 14** shows each of the CCRPI indicators and the measures used to score each indicator.

**Exhibit 14,**  
**CCRPI indicators and measures, 2017-18 School Year**

Indicator	Measure
<b>Content Mastery</b> (30%)	Performance on Georgia Milestones Assessment System and the Georgia Alternate Assessment (ELA, mathematics, science, and social studies)
<b>Progress</b> (ES and MS = 35%, HS = 30%)	Progress on assessments relative to other students with similar scores. (ELA and mathematic growth; Progress towards English Language proficiency)
<b>Closing Gaps</b> (ES and MS = 15%, HS = 10%)	CCRPI improvement targets for academic achievement based on results of milestones tests
<b>Readiness<sup>1</sup></b> (ES and MS = 20%, HS = 15%)	Early grades - Foundational skills/concepts Later grades - Expanding opportunities and personalized learning Graduates - college/career ready
<b>Graduation Rate</b> (HS = 15%)	

<sup>1</sup> All grades are measured based on the percent of students absent less than 10% or less of enrolled days.  
Source: GaDOE Accountability Division

### Changes to the CCRPI for 2017-18

For the 2017-2018 school year, GaDOE calculated CCRPI using a new method. GaDOE determined that the previous method allowed high-performing schools to meet state targets without improving, or in some cases declining, whereas low-performing schools could succeed in improving scores but still fall below set targets.

Using stakeholder feedback and input from advisory committees, GaDOE developed a new CCRPI methodology. The redesigned CCRPI is intended to be more streamlined to assist in reading and comparing assessment results. It is also intended to make scores more understandable by scoring all sections out of 100. GaDOE also made changes to CCRPI targets, which are now focused on the individual school.

GaDOE calculates a score for each CCRPI indicator and an overall score for each school. Connections' overall CCRPI score for 2017-18 (73.1) is lower than the state average (76.6); the state average is Connections' "comparison district" for charter purposes because it is a statewide school. Connections' overall CCRPI score for each grade band is also lower than the state average, as shown in **Exhibit 15**.

#### Exhibit 15

##### Connections' CCRPI scores lower than the state average, 2017-18

	Content Mastery	Progress	Closing Gaps	Readiness	Graduation Rate	Overall Score
<b>Elementary</b>						
Connections	61.2	75.4	<b>100.0</b>	<b>80.0</b>	-	75.8
State	<b>65.7</b>	<b>84.4</b>	85.0	79.1	-	<b>77.8</b>
<b>Middle School</b>						
Connections	61.4	75.1	75.0	<b>83.9</b>	-	72.7
State	<b>65.1</b>	<b>81.0</b>	<b>78.8</b>	82.4	-	<b>76.2</b>
<b>High School</b>						
Connections	65.6	<b>87.0</b>	<b>100.0</b>	55.6	46.6	71.1
State	<b>66.9</b>	83.0	80.0	<b>73.4</b>	<b>82.0</b>	<b>75.3</b>
<b>School Total</b>						
Connections	-	-	-	-	-	73.1
State	-	-	-	-	-	<b>76.6</b>

Source: GaDOE Accountability Division

- Elementary School** – Students' scores are lower than the state average for content mastery and progress, and above the state in closing gaps and readiness. In content mastery, elementary school students are above the state average in ELA but below the state average in math, science, and social studies. They are above the target score for each subject. For the progress indicator, students were below the state average in the amount of growth shown in ELA and math when compared to the growth of academically-similar students. Students' score in closing gaps of 100 can be attributed to surpassing improvement targets set in ELA and math. In relation to the readiness indicator, Connections had relatively high attendance and more than 90% of students taking classes beyond the core subjects, most often fine arts.
- Middle School** – Students' scores are higher than the state average in readiness; however, scores for other indicators and the overall score are below the state average. For content mastery, middle school students are above the state average in ELA but below the state average in math, science, and social studies. They are above the target score for all subjects except math. For the progress indicator, students were below the state average in the amount of growth shown in ELA and math when compared to the growth of academically-similar students. The closing gaps score was slightly below the state average, with most subgroups showing progress in the four core subjects, but not always meeting the target score. Each subgroup typically made progress in ELA and science. Finally, the readiness score that slightly exceeded the state average was largely driven by high student attendance and

more than 94% of students taking classes beyond the four core subjects, most often physical education/health and fine arts.

- **High School** – Students’ scores are higher than the state average for progress and closing gaps and below the state average for content mastery and readiness. For content mastery, Connections’ scores were above the state average in ELA and science but lower in math and social studies. In progress, students were above the state average in the amount of growth shown in ELA and math when compared to the growth of academically-similar students. The closing gaps score of 100 is primarily due to exceeding target scores set for ELA, math and science. Additionally, subgroups met the improvement target in subjects reported, except social studies. Economically disadvantaged students achieved the 6% improvement target in science, ELA and math, and students with disabilities achieved the 6% improvement target in all subjects. The readiness score is below the state average partly due to the gaps between Connections high school students and those statewide in accelerated enrollment, pathway completion and college and career readiness, though Connections students did exceed the state score in literacy. Finally, the graduation rate of 46.6 percent is much lower than the state score, though the five-year cohort’s graduation rate, while remaining below the state score, rises to 50.4.

## Value Added Analysis

The Value Added Analysis (VAA) established by Governor's Office of Student Achievement (GOSA) measures the ability of state charter schools to positively impact student performance. The VAA controls for demographic, academic, and socioeconomic factors so that student achievement can be attributed to the school. After controlling for certain factors, the VAA calculates a predicted score for each student. The difference between the predicted and actual score is the school's impact on the student's achievement.

GOSA uses two types of value added impact scores to measure school impact. Elementary and middle schools receive a single value added impact score that averages all subjects, using scores derived from the Georgia Milestones end-of-grade exams administered to students in grades 3-8. For high schools, impact scores are calculated for each subject with a Milestones end-of-course exam. A school's score is compared to its comparison district(s). As a school with a statewide attendance zone, Connections' scores are compared to the statewide impact score.

As shown in **Exhibit 16**, Connections' value added impact score was lower than its comparison district for elementary and middle schools and lower in most high school subjects. The impact score exceeded the comparison district in 9<sup>th</sup> grade Literature and American Literature and was not statistically different in Biology. It was lower in the remaining five subjects.

### Exhibit 16

Connections' Value-Added impact scores are lower than the comparison district, 2016-17 school year

Grade Band/Course	Impact Relative to Comparison District
<b>Elementary</b>	Lower
<b>Middle</b>	Lower
<b>High School Courses</b>	
9 <sup>th</sup> Grade Literature	Higher
American Literature	Higher
Algebra 1	Lower
Biology	Not Statistically Different
Economics	Lower
Geometry	Lower
Physical Science	Lower
U.S. History	Lower

Source: State Charter Schools Commission

## Beating the Odds Analysis

The Beating the Odds (BTO) analysis established by GOSA is an outcome measure that compares charter schools' performance on the CCRPI with the performance of similar schools. If a school outperforms those with similar characteristics, it is considered to be Beating the Odds. Given that the analysis controls for certain characteristics, schools Beating the Odds could have low CCRPI scores while schools not Beating the Odds could have relatively high CCRPI scores.

The characteristics used in the 2016-17 comparison include the following:<sup>3</sup>

- Percentage of economically disadvantaged students
- Percentage of English language learners
- Percentage of students with disabilities
- Percentage of students in each race/ethnicity
- Student mobility rates
- School size
- School grade cluster

The BTO analysis includes only those students enrolled for the full academic year, which is 65% of the school year or course. For 2016-17, the BTO analysis used two different methods to measure economically disadvantaged students and thus calculated two scores for determining each school's BTO designation.<sup>4</sup> The predicted score is compared to the actual CCRPI score to determine whether the actual score is statistically lower, equivalent, or higher. Schools with a higher score using either approach are deemed as Beating the Odds.

For the 2016-17 school year, Connections was not classified as Beating the Odds. Connections' CCRPI score for this year was 64.3, which was 9 to 14 points lower than the BTO scores predicted using the two models.

## Other Academic Goals

In addition to academic measures listed above, Connections has also established another internal academic goal in its charter. The Connections charter includes an academic goal that 75% of graduating seniors that have expressed interest in some type of postsecondary option (i.e. a two-year or four-year college, military service, etc.) should gain entry to the option of their choosing. The State Charter Schools Commission found that Connections met the graduating senior measure in both the 2016-17 and 2017-18 school years.

---

<sup>3</sup> Beating the Odds results for the 2017-18 school year will be released later during the 2018-19 school year. The results will be calculated using a revised formula and will provide additional context for the "Did Not Beat the Odds" category. Two additional school characteristics, percentage of female students and whether a school is non-traditional, will also be included in this calculation. Additionally, students will be counted in the demographics portion if they were enrolled as a Full-Time Equivalent.

<sup>4</sup> One model uses the percentage of full academic year students who qualify for free or reduced-price lunch to measure economically disadvantaged students. The second model uses the percentage of students who are directly certified in the October FTE count for this variable.

## Comparison of Academic Growth and Achievement Prior to Placement

Students in their first year at Connections tended to perform similarly in ELA as they had in their previous year at a brick-and-mortar Georgia public school. However, they were less likely to be proficient in math, science, and social studies during their first year at Connections.

### Achievement

The state uses the Georgia Milestones Assessment System to measure student achievement in grades 3 through 12. The Milestones tests measure how well students have learned the material and skills outlined in the state content standards for core content areas. Students in grades 3 through 8 take an end of grade assessment in English language arts (ELA) and mathematics, and students in grades 5 through 8 also take an end of grade assessment in science and social studies. High school students take an end-of-course assessment at the completion of the course for each of the ten courses designated by the State Board of Education.<sup>5</sup>

Based on Milestones tests, students may be placed into one of four achievement levels: beginning learner, developing learner, proficient learner, and distinguished learner (see text box). Student assessment scores are reported by grade and subject for the state, school system, and school.

Assessment scores generally show that achievement declined for first-year students at Connections during 2016-17.<sup>6</sup> When examining all subjects, students performed at the proficient level or higher for about 37% of the assessment tests taken at a brick and mortar school; however, these students performed at the proficient level or higher on 29% of the tests taken during the first year at Connections. The percentage of assessment tests on which students achieved at the distinguished level dropped from 29% to 24%.

#### Georgia Milestones Assessment System Achievement Levels

**Beginning learner** – The student does not yet demonstrate proficiency in the knowledge and skills specified in Georgia’s content standards for this grade level and course of learning. The student needs substantial academic support to be prepared for the next grade level or course to be on track for college and career readiness.

**Developing learner** – The student demonstrates partial proficiency in the knowledge and skills specified in Georgia’s content standards for this grade level and course of learning. The student needs additional academic support to ensure success in the next grade level or course to be on track for college and career readiness.

**Proficient learner** – The student demonstrates proficiency in the knowledge and skills specified in Georgia’s content standards for this grade level and course of learning. The student is prepared for the next grade level or course and is on track for college and career readiness.

**Distinguished learner** – The student demonstrates advanced proficiency in the knowledge and skills specified in Georgia’s content standards for this grade level and course of learning. The student is well prepared for the next grade level or course and is on track for college and career readiness.

Source: GaDOE Assessment and Accountability

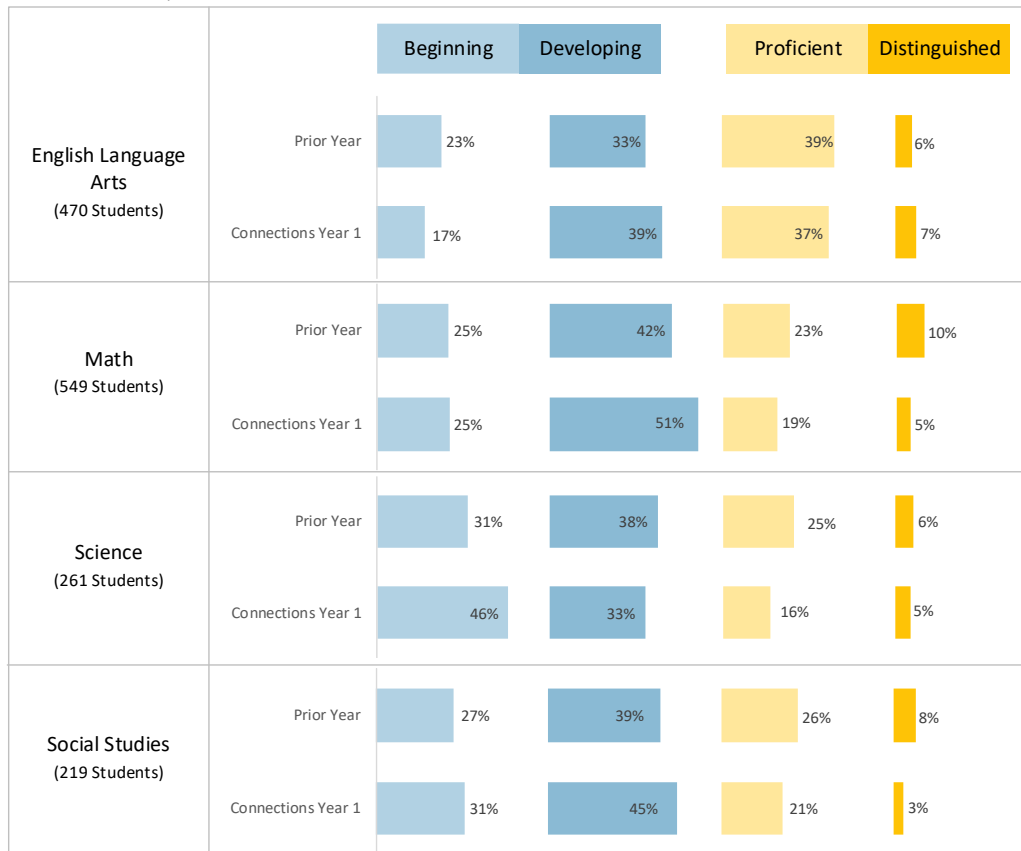
<sup>5</sup> These tests serve as a final exam for the course and contribute 20% to the final grade for the course.

<sup>6</sup> Student achievement at Connections was assessed by comparing 2016-17 assessment scores for students that enrolled at Connections as a new student during 2016-17 with their 2015-16 assessment scores. This analysis was limited to students that were administered assessment tests at Connections during 2016-17 and were administered assessment tests at a brick and mortar school during 2015-16.

Student achievement declined for first-year students at Connections in three of four core subjects when compared to their achievement the prior year at a brick-and-mortar school. As shown in **Exhibit 17**, the percentage of assessment tests with scores at the proficient level or higher level dropped by approximately 10% percent in math, science and social studies. Those in the beginning learner category increased in science and social studies, while those in the developing learner category increased in math and social studies. Student achievement for first-year students remained similar in ELA, though the portion in the beginning category dropped.

### Exhibit 17

Academic achievement in most subjects declined during students' first year at Connections, 2015-16 to 2016-17



Source: GaDOE Assessment data

### Academic Growth

Academic growth indicates how a student has progressed academically over a period of time. GaDOE uses the student growth percentile (SGP) to describe student academic growth relative to academically-similar students across the state. Using state assessment scores, GaDOE compares the change in a student's performance from one year to the next in relation to other students who had a similar score in the initial year.<sup>7</sup> Regardless of their initial assessment score, all students are able to demonstrate growth or decline in relation to other students who started with a similar initial score. Student

Student growth percentile levels	
Low	1-34
Typical	35-65
High	66-99

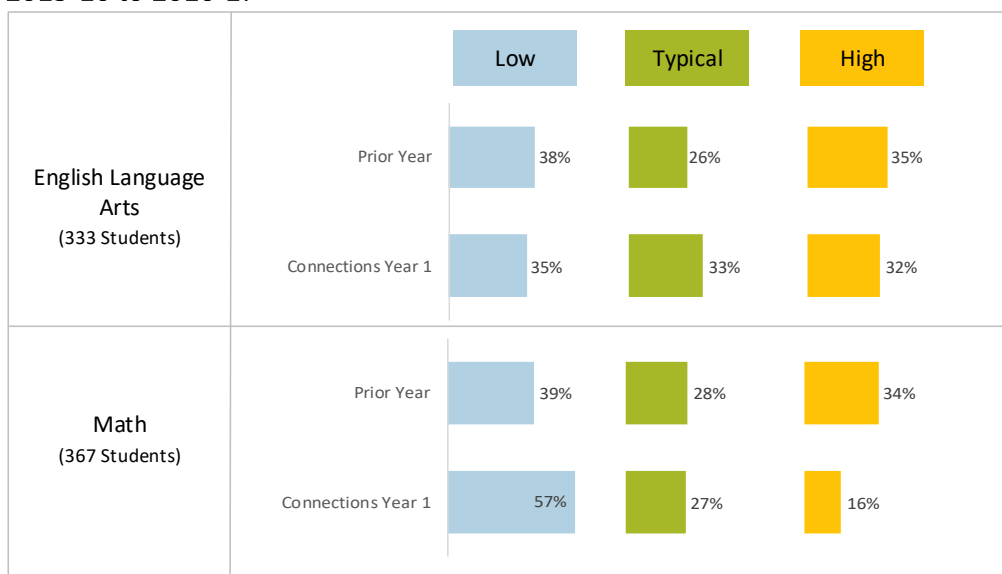
<sup>7</sup> Beginning in 2016-17, student growth percentiles were calculated for ELA and math only.

growth levels range from 1 to 99, with higher percentiles representing more academic growth.

In the 2016-17 school year, first-year Connections students' academic growth declined in math and remained similar in ELA.<sup>8</sup> As shown in **Exhibit 18**, the percentage of students in the high SGP category in math declined from 34% at the brick-and-mortar school to 16% at Connections. The portion in the low category increased from 39% to 57%. Academic growth for first-year students at Connections was largely unchanged in ELA. The high and low categories decreased slightly, while the typical growth category was slightly larger.

### Exhibit 18

Academic growth in math declined during students' first year at Connections, 2015-16 to 2016-17



Source: GaDOE Assessment data

## Analysis of Alternative Academic Options

Students enrolled at Connections have several alternatives for obtaining an education, including attending a local district school, private school, or home school. The availability of these options may vary for some students.

### Local District School

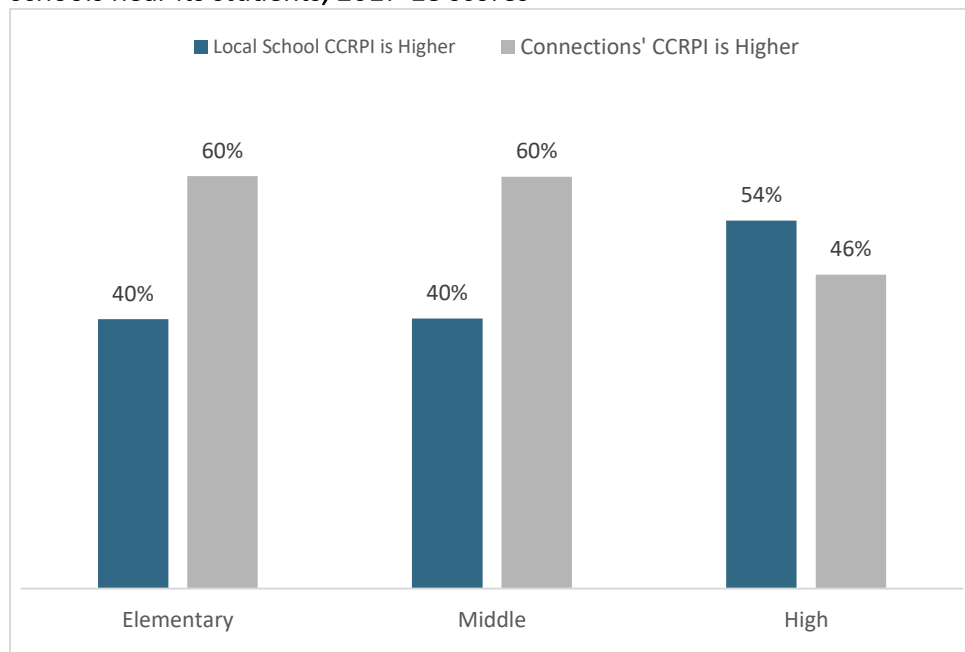
Students enrolled at Connections have the option of attending one of 2,200 public schools throughout the state. These schools are operated by the 180 school districts (159 county, 21 city) and are available to students who live within the school's attendance zone. These schools are publicly funded and available to all students.

<sup>8</sup> Student growth at Connections was assessed by comparing 2016-17 SGPs for students that enrolled as a new student at Connections during 2016-17 with their 2015-16 SGP earned in a brick-and-mortar school. This analysis was limited to students that were administered assessment tests at Connections during 2016-17 and were administered assessment tests at a brick and mortar school during 2015-16.

We found that whether Connections students are likely to live near a local school district school with a higher CCRPI score varies by grade level.<sup>9</sup> As shown in **Exhibit 19**, Connections has the higher CCRPI for a majority of its elementary school and middle school students. However, local school district high schools had a higher CCRPI for a significant majority of students.

#### Exhibit 19

Connections has a higher CCRPI than many of the elementary and middle schools near its students, 2017-18 scores



Source: DOAA analysis

When looking at the differences between the CCRPI scores, the results are similar. Connections' score was more than 10 points higher than the local school for 28% of elementary students, but it was more than 10 points lower for 12%. Middle school distributions were also mixed. However, Connections' CCRPI was more than 10 points higher for 7% and lower for 26% of high school students. It should be noted that the CCRPI is only one measure of a school and there can be other reasons that a student chooses not to attend a local school district school.

GaDOE also uses survey information obtained from students, parents, and school employees to assign each local school district school a climate rating. The climate rating is based on the following:

- **Attendance** – Frequency of students' unexcused absences and frequency of employee leave

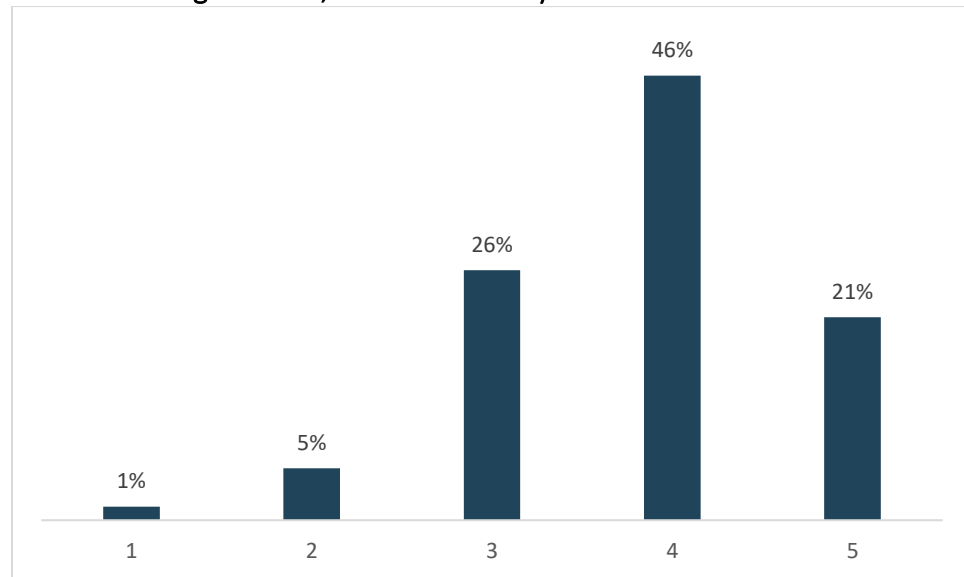
<sup>9</sup> The student's zoned district school is not reported; therefore, we determined the local school district school that is closest to the home address of approximately 3,800 Connections students. We excluded schools not open to all students in a specific zone (e.g., magnet schools) and other special schools (e.g., alternative schools, residential treatment facilities).

- **Discipline** – In-school and out-of-school suspensions, as well as alternative school assignments and expulsions
- **Safe and Substance Free** – Frequency of physical, bullying/harassment, and drug-related incidents
- **Climate Perception** – Survey of students, parents, and employees about the school

As shown in **Exhibit 20**, more than 70% of Connections students live close to a school with a school climate rating of three or four. The ratings range from one (lowest) to five (highest).

#### Exhibit 20

Most Connections students live close to a local school district public school with a climate rating of 3 or 4, 2017-18 school year



GaDOE and Georgia Connections Academy

#### Availability of Private Schools

Some students enrolled at Connections may have the option to attend one of more than 600 private schools. Private schools are available in 107 Georgia counties. Fulton and DeKalb counties have a combined 122 private schools, 20% of all private schools in the state. Thirty-nine counties have a single private school.

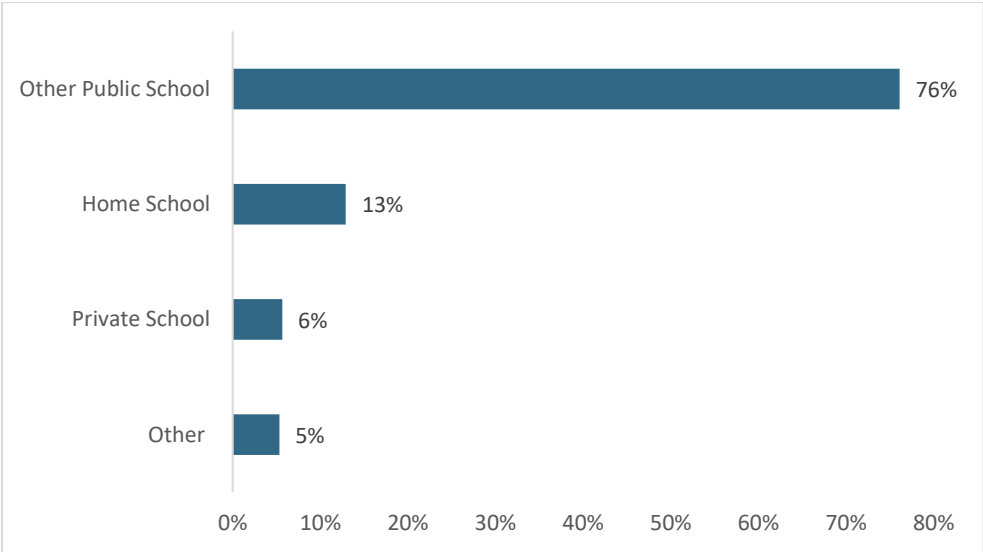
Private schools charge tuition and may have various attendance restrictions, limiting the option for many students. The cost of attending a private school in Georgia ranges from \$1,042 to \$51,280 per year, though scholarships may be available for qualifying students. In addition, the 600 private schools restrict attendance eligibility based on grade level (e.g., K-5), religious affiliation, gender, or any other criteria that fits their mission.

#### Students' Previous School Locations

Using student enrollment records, we also identified where new Connections' students in the 2017-18 school year had previously received their education. Of 2,780 new

student enrollments, 76% (2,116) transferred from another Georgia public school (see **Exhibit 21**). Approximately 13% (359) transferred from home schools, while another 6% (157) transferred from a private school. About 5% of new students were in other categories, such as transferring from schools in another state or country.

**Exhibit 21**  
**Most students that transferred to Connections were from another public school, 2017-18<sup>1</sup>**



<sup>1</sup> Other includes students who transferred from schools in another state or country, and students who have not attended school before.

Source: GaDOE student enrollment record

## Management & Staffing

Charter schools, unlike traditional public schools operate under the terms of a charter and are governed by an autonomous non-profit board of directors. This section provides information about Georgia Connection Academy's agreements, governance, staffing, and certification. Key points in this section include:

- Connections has an educational services agreement with Connections Academy of Georgia, LLC for educational materials, an online platform, staffing, purchasing, and other services.
- Connections has a five-member governing board. During its 2016-17 review, SCSC concluded that Connections' governing board met all of the standards pertaining to governance. We noted that the agreement in effect during the 2017-18 school year contained many of the provisions necessary for the governing board to provide oversight to Connections Academy of Georgia, LLC. However, a board is likely to have limited time and resources to provide oversight and the school administrators, while school employees, report to the contractor.
- For the 2017-18 school year, Connections' percentage of inexperienced instructors is below the statewide average, and its retention rate is higher. Additionally, 1% of Connections' teachers are rated as ineffective by GaDOE, compared to the statewide average of 2%.
- All but one member of Connections' leadership holds state licenses, as required by the school's policy. Connections subsequently reported that the assistant principal recently acquired the Standard Professional Leadership certification.

## Agreements for Corporate Management Services

Charter school governing boards may contract with education management organizations to assist with the school's operation. These corporate entities provide a variety of operational services to public school districts and charter schools. They can provide either comprehensive management or selective services. The scope of services may include educational and administrative services such as accounting, procurement, and reporting.

During the 2017-18 school year, the school board contracted with Connections Academy of Georgia, LLC (contractor) for a broad range of products and services (see **Exhibit 22** and **Appendix A**).<sup>10</sup>

### Exhibit 22

Connections obtained a range of products and services through its agreement with Connections Academy of Georgia, LLC

Learning Products & Services
<ul style="list-style-type: none"><li>• License to use Education Management System</li><li>• License to use online lesson content and other educational materials</li><li>• Computer hardware and software</li><li>• Lesson plans and instructional materials</li><li>• Assessment tests and testing plan</li><li>• Maintenance of student records</li></ul>
Management & Administrative Services
<ul style="list-style-type: none"><li>• Along with the board, provide direction for and participate in evaluating the performance of the lead school administrator</li><li>• Along with the the lead school administrator, provide supervision, oversight, and discipline of teachers</li><li>• Administrative functions, including the selection and evaluation of the lead school administrator</li><li>• Human resources services, including recruitment, payroll and benefits administration</li><li>• Office products and related supplies</li><li>• Continuing professional development and other training</li><li>• Internet access, technical support and maintenance</li><li>• Financial and other reporting</li></ul>

Source: Georgia Connections Academy

- **Learning Products and Services** – This includes access to the company's education management system and education materials, such as online lesson plans, tutorials, student assessments, and teacher resources used to develop personalized plans for each student. These products and services are used by teachers and students.

<sup>10</sup> Connections has entered into a new agreement with the contractor for the period July 2018 through June 2021, the three-year period of the school's current charter.

- **Management and Administrative Services** – This includes oversight of school management, human resources, financial services, and the provision of office products. While the school employs the lead school administrator, the administrator reports to an employee of the contractor on school operational issues. The contractor is also responsible for “recruiting, training, and assigning teachers” and, with the lead school administrator, the “supervision, oversight, discipline, and dismissal” of teachers. The contractor handles other human resources functions, such as payroll and benefits administration, and all financial reporting functions, including creation of the annual budget for approval by the board.

During fiscal year 2017-18, the school paid \$23.7 million to Connections Academy of Georgia, LLC. Approximately one-third of the payments (\$8.5 million) were compensation expenses for school staff, which are reimbursed at cost. With limited exceptions, much of the educational products and services are paid for on a per student or per teacher basis, while administrative services are paid as a percentage of governmental revenue.

It should be noted that the contract contained a provision protecting the school against an annual deficit. If the school had an annual deficit and no positive net assets, the contractor provided a credit or cash payment to the school. In fiscal year 2017-18, Connections Academy of Georgia, LLC provided a credit of \$1.8 million.

## Governance and Management

Charter schools operate under the leadership of a board that serves as the governing authority of the school. The primary responsibilities of the governing board relate to strategic planning and policymaking, budgeting and fiscal stability, hiring and providing oversight for the school leader, and ensuring accountability. The governing board is also responsible for ensuring compliance with laws and regulations, maintaining records of meetings, committees and policies, and monitoring school achievement. Board members with diverse backgrounds and skills in areas such as education, finance, human resources, and legal affairs can contribute to a board successfully performing its duties.

State law and State Board of Education guidelines establish qualifications for governing board membership and member training requirements. O.C.G.A. § 20-2-2084 requires board members to be a U.S. citizen and Georgia resident, and it prohibits members from being an employee of the school. The law also prohibits board members from being an officer or board member of any organization that sells goods or services to the school. State Board guidelines require board members to receive 15 hours of training in their first year and nine hours each subsequent year. The required training must consist of charter school finance and budgeting, best practices for charter school governance, requirements relating to public records and meetings, and other applicable laws, rules, and regulations.

Connections’ by-laws authorize between three and eleven board members (there were five board members in 2017-18). The board president is responsible for overseeing the process for screening applicants for board membership and making recommendations

to the full board for a member vote. Members are elected to three-year terms and may serve an unlimited number of successive terms. They are not paid but may be compensated for expenses incurred in connection with their duties. A majority of board members are required to transact business at meetings. The board held 12 meetings during 2017-18.

#### State Charter Schools Commission Review

The State Charter Schools Commission (SCSC) concluded that Connections met all of its standards pertaining to governance in the 2016-17 school year. In its Comprehensive Performance Framework for state charter school evaluation, SCSC states that a governing board must provide adequate oversight of school management and operations to ensure that the school is fulfilling its duties to students, employees, parents, and the general public. The framework consists of four standards for charter school governance as part of its expectations for operational performance.

- **General Governance** – Examines compliance with applicable laws rules, regulations, charter contract provisions and school policies relating to board governance. The review includes, but is not limited to, board policies, bylaws, conflicts of interest, board composition and membership rules, and restrictions on compensation.
- **Open Governance** – Examines compliance with the Georgia Open Meetings Act and open records requirements.
- **Governance Training** – Examines whether the school ensures that all governing board members participate in required trainings. These include annual attendance at SCSC-provided or approved training.
- **Holding Management Accountable** – Examines school oversight of school management and contractors. This includes implementation of the Teacher and Leader Keys Effectiveness Systems, remedial action regarding employees not meeting expectations, and actions to enforce contractual provisions or terminate the contract of noncompliant educational service providers or other contractors.

#### Accountability

When contracting for education management services, the governing board is responsible for preserving its ability to exercise complete oversight of the school. This requires that agreements include provisions that enable the board to hold the company accountable for performance related to these services. It also requires that the board have the expertise and resources to assess the contractor's performance.

Based on our research of best practices for contracting with education management organizations, we compiled a list of provisions that are necessary for governing boards to hold management companies accountable for performance. For example, the agreement should outline the services the school receives in exchange for its fee and give the governing board authority to terminate the agreement if it is not in the best interest of the school. As shown in **Exhibit 23**, the agreement Connections had in place during the 2017-18 school year contained key provisions necessary for the board to hold contractors accountable for their performance.

## Exhibit 23

### Agreement for management & other services contains key provisions, 2017-18 school year

Key Contract Provisions	In Contract	Explanation
<b>Financial</b>		
Defines the fee structure, including an explanation of key components used in the calculation of the fee amount	Yes	Agreement includes a schedule of fees to be negotiated annually.
Outlines the services the school receives in exchange for its fee	Yes	Agreement requires contractor to provide a breakdown of charges by September of each year.
<b>Agreement Period</b>		
Gives the board authority to terminate the agreement if it is not in the best interest of the school	Yes	
Does not renew automatically with a new charter term or continue for a specified time period into a new charter term	Yes	
<b>Services</b>		
Ensures that the academic program implemented aligns with Georgia's standards and allows for modifications to address changes in state standards.	Yes	Agreement does not specifically address modifications.
Does not require schools to utilize a related entity for certain services	Yes	
<b>Oversight &amp; Monitoring</b>		
Includes an effective contract monitoring system with clearly defined evaluation criteria, performance rewards and penalties.	No	Agreement authorizes a performance review; but does not clarify the criteria, rewards, or penalties.

Source: DOAA Analysis

While contract provisions provide a mechanism for governing boards to hold companies accountable, contracting for the management services presents unique challenges for a part-time board. In many government contracting relationships, the contracting entity procures services, but retains at least some management responsibility. It also has staff responsible for ensuring that the contractor fulfills contract terms. However, the contractor is responsible for virtually all aspects of school management and, while the school's staff is employed by the board, management is not in a position to provide an independent assessment of contractor performance. According to the contract, the lead school administrator works "primarily under the direction" of a vice president for the contractor (subject to oversight by the school board) and "shall report to [the contractor] as to the operation of the Charter School." Connections' contractor participates in the administrator's annual appraisal and may request that the board remove the administrator.

## Staffing and Teacher Qualifications

Both GaDOE and the Georgia Professional Standards Commission (GaPSC) have roles in assessing the qualifications of public school staff. GaDOE requires public school teachers to hold a teaching certificate and a clearance certificate issued by GaPSC. A clearance certificate is issued after completion of a criminal background check, while

a teaching certificate has additional educational and testing requirements. All public school teachers—including those in charter schools—are required to have a clearance certificate. Charter schools are permitted to employ instructors without a teaching certificate.

As shown in **Exhibit 24**, Connections had 142 employees during the 2017-18 school year, three more than the previous year. Of the staff, 132 were in certified positions and 10 in classified positions. The certified positions include a small number in leadership roles and student support; the majority are instructors.<sup>11</sup> Ten employees are classified personnel who provide administrative support for the school. They do not provide instruction and would not obtain a teaching certificate.

#### Exhibit 24

##### Certified personnel increased at Connections, 2016-17 to 2017-18

Description	2016-17	2017-18
<b>Certified Personnel<sup>1</sup></b>		
Leadership	4	3
Elementary Instructor	22	22
Middle School Instructor	29	25
Secondary Instructor	41	44
Special Education	18	22
Student Support	15	16
Total Certified Personnel	129	132
<b>Classified Personnel</b>		
Staff Support	10	10
<b>Total Personnel</b>	<b>139</b>	<b>142</b>

<sup>1</sup> With limited exceptions, these positions are occupied by individuals with state certification. Charter schools may employ those without a certificate.

Source: GaDOE CPI data

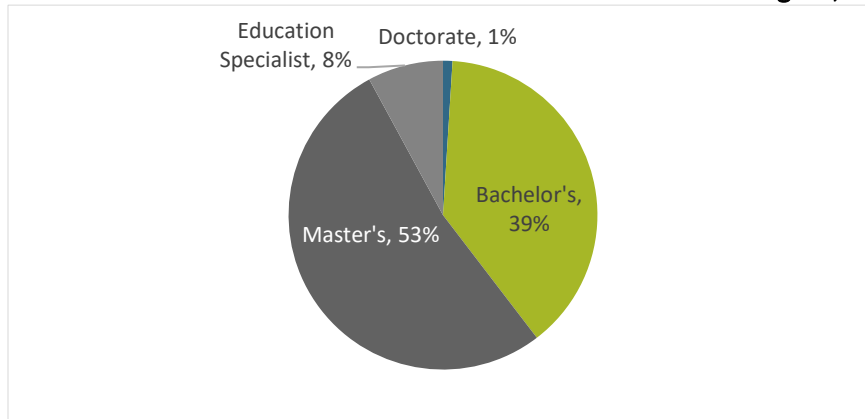
Connections has a policy that those in leadership positions, such as principals and assistant principals, hold Standard Professional Teaching (SRT) and Standard Professional Leadership (SRL) licenses. An SRT is required before an instructor can obtain an SRL, and Connections allows an instructor hired or promoted into a leadership position 18 months to obtain the required SRL certification. In the 2017-18 school year, one individual in a leadership position had not yet obtained the required license.

Connections' leadership stated that they choose to hire teachers certified in Georgia, with few exceptions. The school had one instructor teaching under a waiver (i.e., no teaching certification). As shown in **Exhibit 25**, GaDOE data shows that all Connections instructors have a Bachelor's degree or higher. More than 60% have a degree higher than a Bachelor's.

<sup>11</sup> Instructors may be labeled as "certified" if hired for a position generally requiring a certificate, and the employee contract will specify a number of certified days required of the employee. An instructor may still be reported as certified personnel even without a certificate.

### Exhibit 25

#### Most instructors at Connections have obtained a master's degree, 2017-18

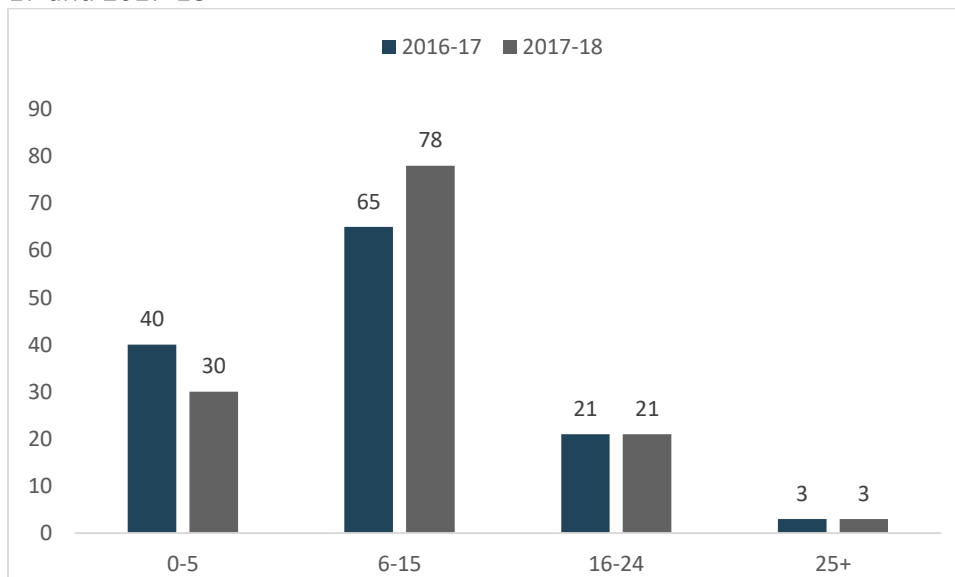


Source: GaDOE CPI data

Between 2016-17 and 2017-18, the number of Connections' teachers with fewer than five years of experience decreased, while those with between six and fifteen years of experience increased (see **Exhibit 26**).

### Exhibit 26

#### Most instructors at Connections have six to fifteen years of experience, 2016-17 and 2017-18



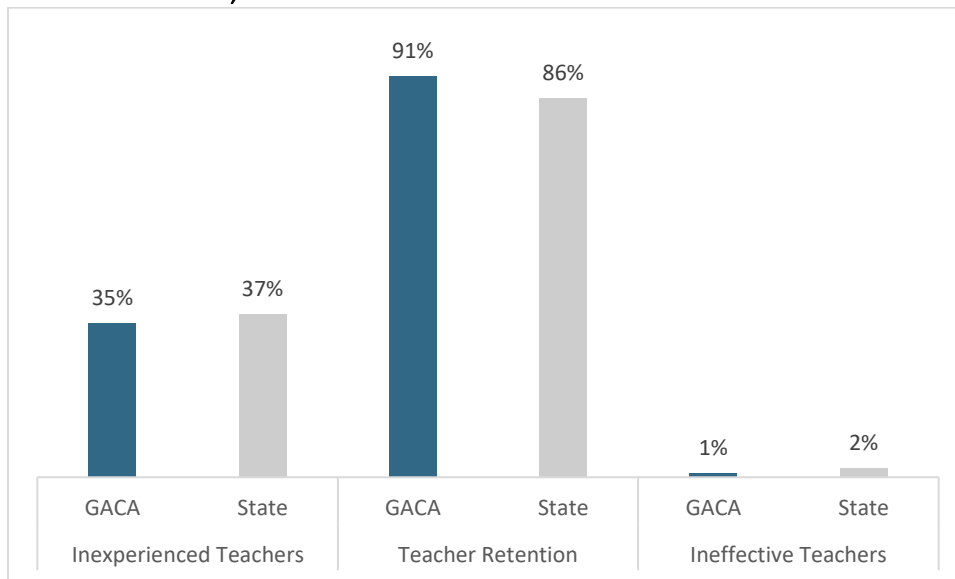
Source: GaDOE CPI data

GaDOE collects information allowing a comparison of each school's teachers to the state average in several areas, including the portion deemed inexperienced, the portion deemed ineffective, and the portion of teachers retained. GaDOE defines inexperienced teachers as those with less than four years of consecutive instruction; ineffective teachers are those who scored a Level 2 or lower on their final Teacher Assessment on Performance Standards. As shown in **Exhibit 27**, a slightly lower portion of Connections' teachers are classified as inexperienced or ineffective when compared to

state averages. In addition, Connections has a teacher retention rate of 91%, five points higher than the state average.

#### Exhibit 27

Connections compares with the state average in inexperienced teachers and teacher retention, 2017-18



Source: GaDOE Annual Report, 2017-18

### Development Plans for Leadership with no Administrative License

Connections requires that principals and assistant principals hold both Standard Professional Teaching (SRT) and Standard Professional Leadership (SRL) certifications from the state. If a teacher moves into a leadership position without a required certification, Connections allows 18 months for the individual to pass the required courses to obtain the certification.

GaDOE data for the 2017-18 school year showed that all but one individual in leadership positions held the licenses required by Connections' policy. According to Connections, in the fall of 2018 all individuals in leadership positions have a SRL certificate.

## Operations & Planning

Charter schools can use their funding to implement innovative or unique programs that are not typically available in traditional public schools. This section discusses Georgia Connection Academy's funding, innovation, and future plans. Key points in this section include:

- Connections received 94% of its funding from state funds, which is about 40 percentage points higher than the state average. Like all state charter schools, Connections does not receive any local funds.
- Compared to the state average, Connections spent a slightly lower percentage of funding on instruction but a higher percentage on pupil services. The school also spent a higher portion on school and general administration.
- Connections also has a per student full-time equivalent (FTE) expenditure of \$6,282 that is approximately 67% of the statewide average. Additionally, Connections' has a high efficiency rating in comparison to the state's rating of 3.0 as calculated by GOSA in relation to per-student expenditures and test scores.
- Connections identified innovative methods that it uses to monitor at-risk students and to attempt to get high school students who have entered the school academically behind their student cohort to graduate on time.
- Connections reported future plans to increase enrollment, improve assessment scores in relation to the state average, improve graduation rates, and to add K-5 in its next charter. (In its three-year charter that began with the 2018-19 school year, Connections is a grade 6-12 school.)

## School Finances

During the 2017 and 2018 fiscal years, state charter schools received Quality Basic Education (QBE) funding and supplemental state funding from the State Charter Schools Commission (SCSC). The supplemental funds were provided because SCSC-chartered schools are not eligible for local funds. Virtual charter schools received two-thirds of the supplemental funding provided to brick-and-mortar schools, did not receive capital funding, and generally received no transportation or nutrition funding.<sup>12</sup>

Connections' annual financial report shows that revenue increased from \$24.9 million in fiscal year 2017 to \$26 million in fiscal year 2018 (see **Exhibit 28**). Expenditures during both years were less than revenues. State funds provided the majority of Connections' funding, with federal funds and in-kind contributions providing the remainder. In-kind contributions were a credit provided to the school by Connections of Georgia, LLC as part of the deficit protection provision of the contract.<sup>13</sup>

### Exhibit 28

#### Connections' revenue primarily state funds, Fiscal Years 2017 & 2018

Description	2017	2018	Percent Change
<b>Revenue</b>			
State	\$21,819,477	\$22,685,586	4%
Federal	\$1,557,965	\$1,502,339	(4%)
In-Kind Contributions	\$1,537,500	\$1,781,000	16%
Other income	\$19,236	\$17,726	(8%)
Local	\$0	\$0	N/A
<b>Total Revenue</b>	<b>\$24,934,178</b>	<b>\$25,986,651</b>	<b>4%</b>
<b>Expenditures</b>			
Instruction	\$19,480,813	\$20,254,787	4%
School Administration	\$2,185,415	\$2,363,923	8%
Pupil Services	\$1,013,944	\$1,047,393	3%
Support Services – Business	\$671,553	\$704,032	5%
Other Support Services	\$579,889	\$601,159	4%
Improvement of Instructional Services	\$578,648	\$571,089	(1%)
General Administration	\$235,952	\$244,359	4%
Maintenance and Operations	\$165,795	\$179,446	8%
<b>Total Expenditures<sup>1</sup></b>	<b>\$24,912,009</b>	<b>\$25,966,188</b>	<b>4%</b>
<b>Revenues Less Expenditures</b>	<b>\$22,169</b>	<b>\$20,463</b>	<b>(8%)</b>

Source: Georgia Connections Academy Financial Reports

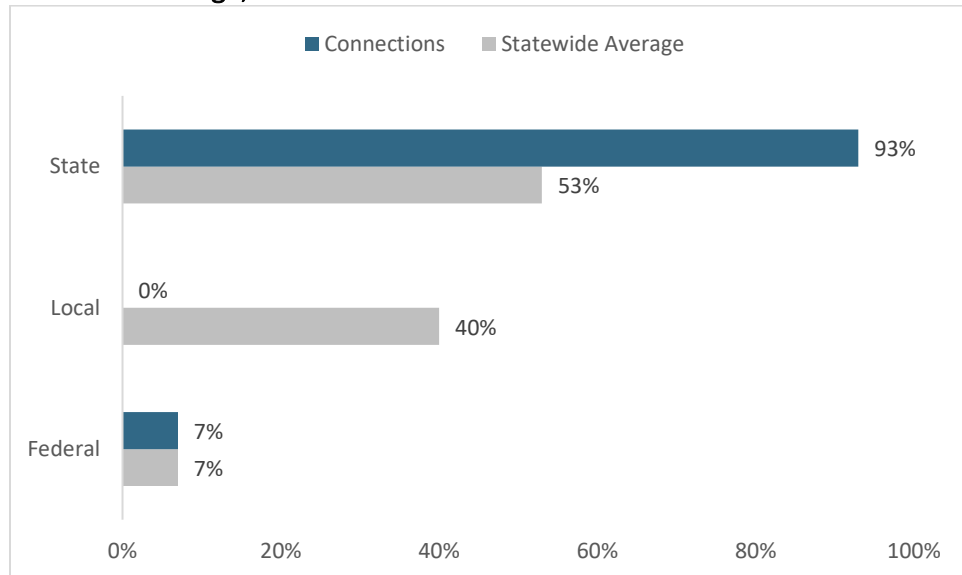
<sup>12</sup> With passage of HB 787 during the 2018 legislative session, funding for all state charter schools will increase and virtual schools will receive capital funding.

<sup>13</sup> The contract provision states that Connections of Georgia, LLC will provide a credit or cash payment to the school to ensure that it does not have a deficit at the end of the year.

We used GaDOE fiscal year 2017 revenue and expenditure reports to compare Connections’ revenue and spending patterns to other public schools.<sup>14</sup> As shown in **Exhibit 29**, Connections relies on state funding much more than typical public schools. This is true of all state charter schools that do not qualify for local funding. State charter schools receive QBE funding and a state charter commission supplement to offset a portion of the local funding that they do not receive.

#### Exhibit 29

State funds are nearly twice the revenue source for Connections than the statewide average, 2017



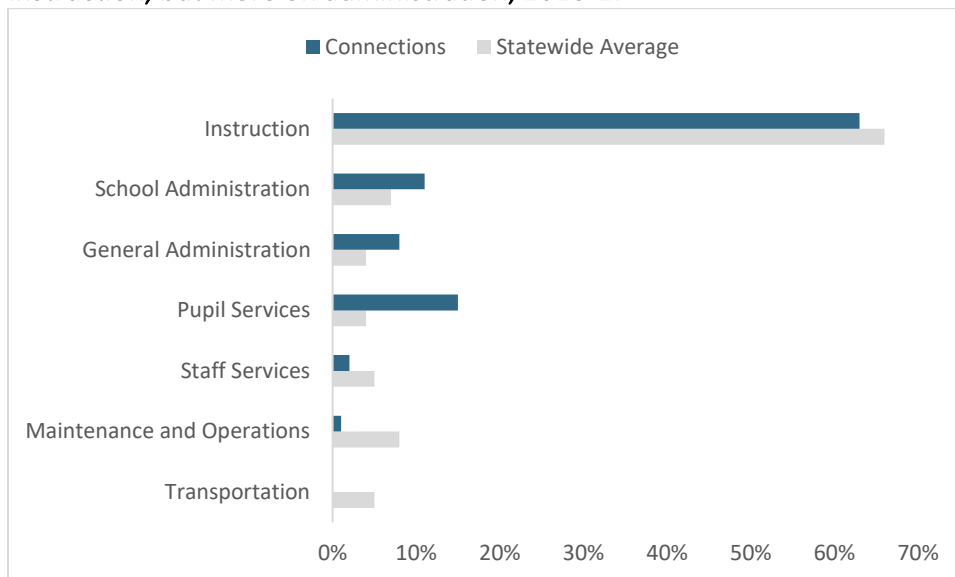
Source: Statewide & Connections GaDOE financial report

Compared to the statewide averages for expenditures, Connections spends slightly less on instruction and more on school and general administration, as well as pupil services (see **Exhibit 30**). School administration includes funding for leadership positions such as principals and assistant principals, while general administration covers positions such as Title I director and homeless liaison, as well as maintenance and technology related services not covered under school administration. Pupil services includes the purchase of materials such as e-books and periodicals, communication and coordination with parents, and additional educational offerings such as summer school. As expected, Connections spends less on maintenance and operations (typically associated with buildings) and transportation than the statewide averages.

<sup>14</sup> The amounts in GaDOE’s financial reports are slightly different than those in the school’s financial statements due to the exclusion of certain revenue sources (e.g., in-kind contributions) and expenditure categories. However, GaDOE’s reports allow a comparison to other Georgia public schools.

### Exhibit 30

Connections reports spending slightly less than the statewide average on instruction, but more on administration, 2016-17

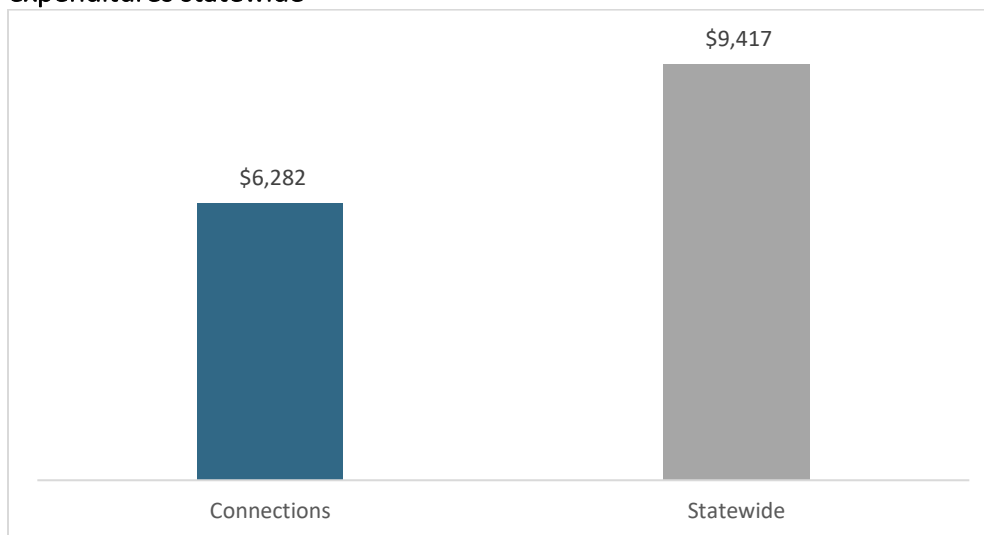


Source: Statewide GaDOE financial report and DE46 financials

Connections' expenditures per FTE were significantly lower than the statewide average. As shown in **Exhibit 31**, Connections spent \$6,282 per FTE in the 2016-17 school year. This was approximately 33% lower than the statewide average of \$9,417.

### Exhibit 31

Per-pupil expenditures at Connections are approximately 67% of per-pupil expenditures statewide



Source: Statewide GaDOE financial report

## Academic Performance as a Ratio of Per-Student Expenditures

The Governor's Office of Student Achievement (GOSA) calculates a Financial Efficiency Star Rating (FESR) for each school in the state. The FESR compares a school district's spending per student with its overall academic performance. The 2016-17 FESR compared each school's spending per student to its CCRPI score and assigned between 0.5 and 5 stars to each school. Schools in the highest spending category with low CCRPI schools received only 0.5 stars, while those in the lowest spending category with CCRPI scores at 90 or above could receive 5 stars.

Connections received 3.5 stars as part of GOSA's 2016-17 FESR. More than 1,200 schools (55%) received a lower rating, and 354 other schools (16%) received the same rating as Connections.

## Innovative Practices and Implementation

Charter schools operate with freedom from certain regulations applied to traditional public schools. This freedom can allow the charter schools to adopt innovative practices or new approaches that may lead to better student outcomes. Innovation can be implemented in various areas of education, including instruction, governance and accountability. While student outcomes are generally the ultimate goal of innovative practices, intermediate goals may include increasing the learning opportunities for students or adopting the use of creative teaching methods.

### Examples of Goals for Innovation in Charter Schools

1. Increase learning opportunities for all students
2. Encourage the use of different and innovative teaching methods
3. Create different innovative forms of measuring outcomes
4. Establish new forms of school accountability
5. Create new professional opportunities for teachers

Source: Minnesota Association of Charter Schools

Connections has implemented practices expected to improve academic outcomes for high school students. In the 2016-17 school year, Connections implemented an academic probation program that targets students who previously failed three or more credits of core academic courses. The program requires high school students to attend three-hour live sessions held three times each week and requires a teacher to monitor these students daily. Connections reported that over 70% of the students that entered this program at the beginning of the semester remained in the program.

Through its Persevere Until Success Happens program (PUSH), Connections also held in-person and virtual 1-2 day sessions throughout the year and conducted weekly check-in homeroom calls for high school students. PUSH was developed to get high school students who enroll at Connections behind their age cohort to graduate on time. Connections reported that participation in the PUSH program reduced the percentage of off cohort students from 23% at the beginning of the 2017-18 school year to 17% at the end of the year.

## Future Goals and Plans

Beginning with the 2018-19 school year, Connections began operating under a new, three-year charter that limits the school to grades 6-12. Connections' officials stated that they plan to increase enrollment in those grades by approximately 10% annually for the next three years. The school is also focused on improving its operational score in the State Charter Schools Commission's Comprehensive Performance Framework review. Academically, the school plans to improve the high school graduation rate 20% by 2021 and outperform the statewide average CCRPI score. The school's charter is scheduled for renewal in 2021, at which time Connections intends to obtain approval to return grades K-5 to its charter.

## APPENDIX A

### Georgia Connections Academy's Educational Products and Services Agreement, 2013 – 2018

**AMENDED AND RESTATED  
EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT  
BETWEEN GEORGIA CONNECTIONS ACADEMY CHARTER SCHOOL, INC.  
AND CONNECTIONS ACADEMY OF GEORGIA, LLC.**

**THIS AMENDED AND RESTATED EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT** (“Agreement”), is made and entered into on this 17th day of April, 2013, by and between the **GEORGIA CONNECTIONS ACADEMY CHARTER SCHOOL, INC.**, a non-profit virtual charter school (the “Charter School”), authorized or to be authorized by the Georgia Charter Schools Commission (“Charter Authority”) pursuant to the *Georgia Charter Schools Act* of 1998 contained in Georgia Code §20-2-2061 et seq. and the *Georgia Charter Schools Commission Act*, Georgia Code §20-2-2080 et seq. (together, the “Charter School Law”) and **CONNECTIONS ACADEMY OF GEORGIA, LLC**, (“CA”), a Georgia limited liability corporation, (individually a “Party” and collectively the “Parties”).

**RECITALS**

**WHEREAS**, the Charter School has requested or secured authorization from the Charter Authority to operate a virtual charter school pursuant to the Charter School Law;

**WHEREAS**, CA has a proven record of providing innovative Educational Products and Services as defined herein outside the traditional classroom and successfully managing the day-to-day operation of cyber schools, including but not limited to providing the Educational Products described in Section 2 and the Educational Services described in Section 3 below (collectively, “Educational Products and Services”);

**WHEREAS**, the Charter School has carefully studied and evaluated the Educational Products and Services and desires to contract with CA to provide such Educational Products and Services to its students under the Charter School Law, and CA desires to contract with the Charter School to provide such Educational Products and Services; and

**WHEREAS**, the Charter School and CA are entering into this Agreement to set forth the obligations and duties of each Party with respect to the provision and management of Educational Products and Services by CA on behalf of the Charter School.

**NOW THEREFORE**, in consideration of the foregoing, of the covenants and agreements contained in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

**1. Definitions.**

1.1 “**Academic Year**” shall mean the school year as defined by the School Calendar (see also Section 1.16).

1.2 “**Administrative Staff**” shall include the individuals holding the positions described in Section 3.4.

1.3 “**Affiliate**” shall mean any entity controlling, controlled by, or under common control with, a Party. Pearson PLC and its affiliates shall be deemed Affiliates of CA.

1.4 “**Budget**” shall mean the operating budget for the Charter School as approved by the Charter School according to the provisions of Section 9.

1.5 **“Charter Contract”** shall mean the contract between the Charter Authority and the Charter School, and all amendments, prescribing the conditions and requirements for compliant operation of the school.

1.6 **“Charter School”** shall mean Georgia Connections Academy Charter School, Inc., as authorized by the Charter Authority.

1.7 **“Charter Authority”** shall mean the Georgia Charter Schools Commission.

1.8 **“Course(s)”** shall be comprised of a set of lessons and assessments including both Tangible and Intangible Instructional Materials augmented by State specific materials and instruction provided by Teachers through a variety of methods including LiveLesson<sup>®</sup>, that collectively shall meet the educational content or other standards established by the State of Georgia in order to be recognized for high school credit in grades 9-12 or for meeting educational requirements in grades K-8.

1.9 **“Educational Products and Services”** shall mean collectively, the Educational Products described in Section 2 and the Educational Services described in Section 3 of this Agreement.

1.10 **“Enrolled”** shall apply to an Eligible Student who has (a) met all the enrollment requirements of the Charter School; (b) completed all of the requirements for admission to the Charter School; (c) has been notified of their acceptance in the Charter School; (d) has not been expelled or withdrawn from the Charter School for any reason; (e) has not enrolled in another full-time public or private school and (f) for whom the enrollment requirements of the Charter School have been met.

1.11 **“Eligible Students”** shall have the meaning set forth in Section 5 of this Agreement.

1.12 **“Effective Date”** shall be the date first written above.

1.13 **“Charter School Board”** or **“Board”** shall mean the Board of Directors of the Charter School.

1.14 **“Instructional Materials”** shall mean, collectively, the Tangible Instructional Materials, described in Section 2.1, and the Intangible Instructional Materials, described in Section 2.2 below.

1.15 **“Learning Coach”** shall mean a parent or legal guardian of the Student or another adult specifically designated by the Student’s parent or legal guardian who will perform the responsibilities as defined in the Parent/Legal Guardian (Caretaker) Acknowledgement and the School Handbook, both of which shall be reviewed and approved annually by the Charter School Board. Learning Coaches are not employees or contractors of either the Charter School or CA and shall not receive any compensation for their services.

1.16 **“Performance Review”** shall mean a review of CA’s performance under this Agreement, conducted at the Charter School’s discretion; the design of the review, performance criteria and the methodology shall be developed by the Charter School in consultation with CA.

1.17 **“Personalized Learning Plan”** or **“PLP”** shall have the meaning set forth in Section 3.1 of this Agreement.

1.18 **“Related Services”** shall mean services related to the provision of speech therapy, occupational therapy, physical therapy, counseling, social skill development, psycho-educational evaluations, closed captioning, sign language interpreting, transition and job coaching, academic

support for the vision and hearing impaired, adapted physical education, assistive technology, and other services of a similar nature.

1.19 **“School Calendar”** shall be the days when the Educational Services under this Agreement will be delivered to Students, Teachers and Learning Coaches as defined by the School Handbook. Charter School will operate on those days established to be the School Calendar for the Academic Year, except that Students may continue to report attendance during scheduled school holidays to the extent permitted under Georgia law. The School Calendar for each Academic Year is subject to prior approval by the Charter School Board and shall meet all requirements for days and hours of instruction required by law or regulation.

1.20 **“Special Education Director”** is that person employed to oversee the Special Education Services per Section 4.1, 4.2 and 4.3 below. It is the Special Education Director’s responsibility to keep informed of (and to inform CA of) any state legislative or regulatory enactments that impact the provision of Special Education Services, as well as to supervise the special education Teachers and implement a CA approved model for special education instruction.

1.21 **“Special Education Protocols”** shall mean the policies, procedures and protocols that govern the provision of Special Education Services and shall, at minimum comply with applicable state and federal law requirements.

1.22 **“Special Education Services”** shall mean all necessary special education programs and services, including the development and implementation of IEPs and Section 504 plans, handling administrative proceedings and specialized services, submitting state or federal reports, applying for and administering supplemental funding, providing other Related Services and all other administrative services associated with the delivery of services to Special Needs Students.

1.23 **“Special Needs Students”** shall mean students who have been identified as disabled under the Federal *Individuals with Disabilities Education Act* (“IDEA”) or Section 504 of the Federal *Rehabilitation Act* of 1973.

1.24 **“Students”** shall mean the children who are enrolled in the Charter School.

1.25 **“Student Records”** shall mean shall mean those records (a) which are directly related to the Student, and (b) which the Charter School and/or CA is required to maintain in accordance with the laws of Georgia. Student Records are “educational records,” as defined in the Family Education Rights and Privacy Act (“FERPA”), 20 USC 1232g(a)(4)(A), and shall be subject to the provisions thereof.

1.26 **“Teachers”** are persons employed to provide educational instruction to Students.

1.27 **“Term”** shall have the meaning set forth in Section 6 of this Agreement.

## **2. Educational Products to be Provided by CA.**

During the Term, CA shall provide or cause to be provided to the Charter School the following Educational Products at the prices set forth in Section 9, which may be adjusted from time to time upon the mutual agreement of the Parties:

2.1 **Tangible Instructional Materials.** CA provides to Charter School under this Agreement a non-exclusive, non-transferable, royalty-free, license to use tangible educational materials, which may include items such as textbooks, novels, science kits and other tangible educational materials provided during each applicable Academic Year during the Term of this Agreement for

grades K-12 (“Tangible Instructional Materials”), as described in the CA Program Guide published by CA and updated annually (“Program Guide”). The Tangible Instructional Materials shall be reviewed and approved annually by the Charter School Board. CA represents and warrants that it and/or its vendors are the sole owners of the Tangible Instructional Materials and that any payments to CA for the use of the Tangible Instructional Materials shall be solely for the applicable Academic Year for each Student and/or Teacher who receives Tangible Instructional Materials in connection with the provision by CA of the Educational Products and Services under this Agreement. This Agreement does not constitute a transfer of title or ownership rights by CA to the Charter School or to the Students or Teachers of the Tangible Instructional Materials. All right, title, and interest in and to the Tangible Instructional Materials and any content contained in the Tangible Instructional Materials, including, but not limited to, copyright, patent, trade secret, and trademark rights will remain with CA and/or its vendors. CA shall have the right to recover any reusable Tangible Instructional Materials at the conclusion of each Academic Year or when the Student is no longer enrolled, whichever is sooner. CA may invoice Students for any Tangible Instructional Materials that are not returned, unless prohibited by applicable law. To the extent that any Tangible Instructional Materials are listed in the Program Guide as being available in both physical and electronic form, CA may provide either version, except when a Student has an IEP that requires that the Tangible Instructional Materials be provided in a specific form.

2.2 Intangible Instructional Materials. CA provides to Charter School under this Agreement a non-exclusive, non-transferable, royalty-free, license to use intangible educational materials that may include items such as online lesson content, lesson plans, Teachlet® tutorials and other intangible educational materials included in any Courses listed in the Program Guide during each applicable Academic Year during the Term of this Agreement (“Intangible Instructional Materials”). The Intangible Instructional Materials shall be reviewed and approved annually by the Charter School Board. CA represents and warrants that it and/or its vendors are the sole owners of the Intangible Instructional Materials and that any payments to CA for the use of the Intangible Instructional Materials shall be solely for the applicable Academic Year for each Student and/or Teacher who receives Intangible Instructional Materials in connection with the provision by CA of the Educational Products and Services under this Agreement. This Agreement does not constitute a transfer of title or ownership by CA to the Charter School or to the Students or Teachers of the Intangible Instructional Materials. All right, title, and interest in and to the Intangible Instructional Materials and any content contained in the Intangible Instructional Materials, including, but not limited to, copyright, patent, trade secret, and trademark rights will remain with CA and/or its vendors.

2.3 Computer Hardware and Software. The Charter School may lease from CA at the discretion of the Charter School Board: (a) such computer hardware and/or software that shall meet or exceed any specifications in the Charter Contract, or required by law, for each Student who enrolls or household if more than one student in a household enrolls; and (b) any hardware and/or software required by Administrative Staff or Teachers (collectively “Hardware and Software”). Any Hardware and Software provided by CA will be the exclusive property of CA or its contractors and will be returned upon the termination of this Agreement or when the Student is no longer enrolled, whichever is sooner. The Hardware and Software may be updated from time to time with the approval of the Charter School Board. The Charter School shall not be responsible for ensuring the return of Hardware or Software supplied by CA to Students, but will be responsible for returning any Hardware and/or Software provided by CA to Administrative

Staff or Teachers who are employed by the Charter School. Unless otherwise prohibited by law, to the extent that such Hardware and/or Software is not recovered, CA may invoice Students, or in the case of Hardware and/or Software provided to Administrative Staff or Teachers, employed by the Charter School, CA may invoice the Charter School for any Hardware and/or Software not returned. CA and the Charter School shall cooperate to ensure that Hardware and Software are, to the extent possible, recovered, and that no Student, Learning Coach Administrative Staff or Teachers obtain ownership of any such Hardware or Software. The Charter School may also elect to purchase its own Hardware or Software, and contract with CA to manage such Hardware or Software. If the Charter School elects to purchase or lease Computer Hardware and/or Software for use by Students, Administrative Staff or Teachers, it agrees that such Hardware or Software will meet or exceed the same specifications as that offered to the Charter School for lease by CA.

2.4 Office Products and Supplies. The Charter School may engage CA to provide office supplies and office related products that are not purchased by the Charter School (“Office Products and Supplies”). The Charter School acknowledges and agrees that CA, its Affiliates and/or their vendors are the sole owners of any such Office Products and Supplies, until such time as CA has received payment for them in full. If the Charter School does not contract with CA to provide such Office Products and Supplies as described in this Section, then the Charter School shall be responsible for providing them at its own cost.

2.5 Education Management System. CA will provide to the Charter School a non-exclusive, nontransferable, royalty-free, limited license during the Term for the use of Connexus®, the Education Management System (“EMS”) by Administrative Staff, Teachers, Students, Learning Coaches and other individuals required to access the system in order to provide or receive the Educational Services specified in this Agreement. The EMS will include features and functions required to meet the requirements of the Charter including: Assignment Management and Tracking, Communication Tools and Reporting. CA may update the features and functions of the EMS from time to time. The Charter School will comply and assure compliance by its employees, agents and the authorized users with the Terms of Use or other CA policies applicable to access and use of the EMS. The Charter School acknowledges and agrees that CA, its Affiliates, and/or their vendors is the sole owner of its EMS through which certain of the Educational Services are delivered, and any content contained in the EMS is owned by CA, its Affiliates and/or their vendors. This Agreement does not constitute a transfer by CA to the Charter School, Administrative Staff, Teachers, Students, or Learning Coaches of any intellectual property rights in its EMS or any content contained in the EMS. All right, title, and interest in and to the EMS and any content contained in the EMS, including, but not limited to, copyright, patent, trade secret, and trademark rights will remain with CA, its Affiliates, and/or their vendors.

3. Educational Services to be Provided by CA. During the Term, CA shall provide or cause to be provided to the Charter School the following Educational Services for the fees set forth in Section 9:

3.1 Personalized Learning Plan Protocol. Provide Teachers with resources and assistance designed to enhance their effectiveness in creating a Personalized Learning Plan (“PLP”) for each Student, as required to meet or exceed any educational standards established by the State of Georgia or otherwise required by the Charter.

3.2 Assessments. A series of assessments administered to Students to gauge mastery of core concepts and readiness for the State of Georgia's standardized tests including: (a) a placement evaluation; (b) a skills assessment for grades 3 – 8, designed to measure a Student's level against state standards, which will generally be administered to Students enrolled during the first two (2) months of the Academic Year and those enrolled during the last two (2) months of the Academic Year; (c) other quantitative and qualitative assessments that will vary based on the grade and the Student's progress as shall be mutually agreed upon by the Charter School and CA; (d) Progress Reports that shall be prepared for each Student at least quarterly and shall meet or exceed any specifications in the Charter Contract.

3.3 Standardized Tests. All Students shall be required to participate in the State of Georgia's standardized tests to the same extent as students enrolled in any other Georgia public school. CA shall be responsible for establishing a testing plan that provides reasonable access to testing sites based on the Student's residence that shall be included in the School Handbook as approved by the Charter School Board. CA shall establish and administer the procedures necessary for the delivery of such tests and shall provide to the Charter School Board information concerning the percentage of Students participating in the testing program to the extent that their participation is legally required.

3.4 Administrative Staff.

(a) The Charter School shall employ one or more persons who shall be designated as the "Principal" of the Charter School. Charter School may request CA to assist the Charter School in the selection process. If during the Term, there is more than one individual who is designated as "Principal" for the purpose of managing different grade levels with the approval of the Charter School Board, the Charter School may designate a common supervisor, a "Director", to whom the Principals will report. The Principal, if there is only one such position, or the Director, if there is more than one Principal, or a Teacher, if acting as the Lead School Administrator if there is no Principal, shall be sometimes hereinafter referred to as the "Lead School Administrator".

(b) Other Clerical or Support Administrative Positions. The Charter School may also employ one or more individuals in clerical or support positions as may be required to support school operations.

(c) Responsibility. The Lead School Administrator shall aim to build consensus among all stakeholders, and hence shall have responsibilities that shall include, but not be limited to, reporting regularly to the Charter School Board, supervising administrative personnel, inspiring Teachers to teach, Students to learn, and Learning Coaches to engage in their Student's learning. The Teachers shall report to the Lead School Administrator or such individual as shall have been designated by him or her, and the Lead School Administrator shall work primarily under the direction of the CA VP of Schools, or his/her designee, subject to oversight by the Charter School Board. The Lead School Administrator shall comply with CA practices and protocols in the delivery of the Educational Services and shall report to CA as to the operation of the Charter School.

(d) Replacement of Lead School Administrator. CA shall participate annually in the Charter School Board's evaluation of the Lead School Administrator. The Charter School Board shall have the right to replace the Lead School Administrator, in the event that the Charter School Board is dissatisfied with his or her performance, and so notifies CA in writing. In addition, CA may request that the Charter School Board replace the Lead School Administrator

at any time. Any replacement of the Lead School Administrator will be done so as to minimize the disruption to Students.

(e) Other Administrative Staff. The Charter School may also employ one or more persons who shall be designated as Assistant Principals. Such staff shall report to the Lead School Administrator or his or her designee. Other Administrative Staff shall be employed in the same manner as Teachers and may also act as Teachers in addition to their other responsibilities.

### 3.5 Teaching Staff.

#### (a) Employment of Teachers.

(i) The Charter School will employ one or more persons designated as Teachers. CA shall be responsible for recruiting, training, and assigning Teachers. CA and the Lead School Administrator will have all day-to-day responsibility for the supervision, oversight, discipline and dismissal of the Teachers.

(ii) All Teachers shall hold a valid Georgia teaching certificate, permit or other document required by the State of Georgia or as required by applicable state or local law. These requirements may be waived with the prior written approval of the Charter School Board: (A) for independent study by Students enrolled in the accredited National Connections Academy private school in an elective Course for which there is insufficient demand to require a full-time Teacher in the Charter School, or (B) only with respect to electives, where there is no Georgia-certified Teacher available to teach a Course. In order for Students to receive transfer credit for such Courses, it must be approved by the Charter School Board.

(b) Teacher Performance and Conduct. The Charter School Board may, at any time, request that the Lead School Administrator promptly investigate and take action to address any complaints or concerns regarding the performance or conduct of any Teacher. The Lead School Administrator shall provide a prompt report to the Charter School Board and CA on any and all actions taken in response to such a request. In the event the Lead School Administrator fails to take timely action to respond to the complaints or concerns raised and make a report, or in the event the actions taken by the Lead School Administrator are deemed inadequate, the Charter School Board may require the removal or replacement of a Teacher within sixty (60) days of any written request or immediately upon written notice in the event the Charter School Board believes there is a risk of any illegal conduct, or a risk to the health or safety of any Student, and so notifies CA in writing.

3.6 Contracted Services. CA shall provide human resources services including, but not limited to, recruiting, payroll, (including, but not limited to, paying the staff directly, and collecting and remitting taxes), benefits administration, supervision and liability insurance. CA agrees to require sufficient background checks, including fingerprinting, as specified by law, for each employee or prospective employee, and to otherwise meet any other applicable regulatory requirements.

3.7 Community Coordinator(s) and Group Activities. CA shall recruit individuals who are willing to volunteer their services to coordinate community activities that allow Students to apply their academic skills while interacting with other Students in their immediate geographic area ("Community Coordinator"). These activities will be opportunities for support, socialization and learning. Prior approval for these events must be obtained from the Lead School Administrator and permission slips or signatures from the parent or guardian must be collected

for each Student. The main communication tool for Community Coordinators will be the message boards or other medium for such communications maintained by CA. The Community Coordinator shall be responsible for posting timely and relevant information in these message boards, or other medium for such communications maintained by CA, moderating discussions and reporting any inappropriate or dangerous behavior to the Lead School Administrator or his or her designee. Community Coordinators shall not be considered employees or contractors of CA or the Charter School. CA is not responsible for providing transportation to these group activities or otherwise providing for the cost of such activities, unless otherwise agreed or mandated by the individualized education plans (IEPs) of Special Needs Students. The local Community Coordinator shall work with Teachers, parents and Students to enrich the learning experience and distribute information about their local community. CA shall be responsible for obtaining background checks required under state law or regulation for volunteers.

3.8 Educational Resource Center. CA shall provide access to additional educational support staff in the areas of special education, gifted education and curriculum services with such staff being available to Teachers, Learning Coaches and Students, according to the terms of the School Handbook and other policies and procedures established by CA. Such resources will be available via email and toll-free telephone during the School Calendar, during the hours of 9 a.m. to 6 p.m. Eastern Time.

3.9 Instructional Staff Support and Development. All Teachers will receive access to all Instructional Materials supplied to Students as necessary to conduct their teaching responsibilities. Board members, Administrative Staff, the Special Education Director and Teachers (collectively “Charter School Staff”) will be trained in CA protocols and other best practices. In addition, as part of its fee for Educational Services paid to CA, CA will make available to Charter School Staff continuing professional development and other related training, leadership development and peer to peer networking opportunities (collectively “Training”) that support the Charter School mission and delivery of the Educational Services and which shall be sufficient, at minimum, to allow the respective Charter School Staff to comply with applicable Georgia statutes and regulations that specify Training requirements. To the extent the Charter School will be required to cover travel, housing and related expenses in connection with such Training, CA will inform the Charter School of those expenses the Charter School will be required to cover at the time CA notifies the Charter School of the Training opportunity.

3.10 Internet Access. Each Student shall have access to the Internet for a sufficient amount of time to complete the instructional program (including assignments, online communication and collaboration, research and access to supplemental online resources). The level of access required is determined by the nature of the curriculum (e.g., the amount of print material) and the developmental level of the child (e.g., what may be appropriate for an eighth grader may not be appropriate for a first grader). Access will include one computer connected to the Internet per household. In the event that an Internet subsidy is approved for a household based upon criteria established by the Charter School and is included in an applicable Fee Schedule in accordance with Section 9, CA shall reimburse each Student’s parent or legal guardian for all or part of the cost of Internet access at the rate specified in the Fee Schedule. Payment will be made in accordance with the policy outlined in the School Handbook. Any Internet subsidy provided may be updated from time to time with the approval of the Charter School Board.

3.11 Technical Support and Maintenance. CA shall provide technical support and maintenance of any computer hardware or software provided by it to Students toll-free via e-mail

and telephone during the hours of 9 a.m. to 6 p.m. Eastern Time. CA will only be responsible for providing repairs according to the policies outlined in the School Handbook as approved by the Charter School Board. For Students using their own computer Hardware and/or Software, CA shall provide technical support for non-CA supplied hardware and software initially to make sure that Students have the minimum requirements necessary to participate in the Educational Services and then shall continue to provide Technical Support as necessary to support the Students' use of the Learning Management System. CA may contract with outside vendors for the provision of technical support and maintenance as required herein.

3.12 Student Records. CA shall provide maintenance of Student Records in accordance with state, local and federal requirements. CA shall maintain the confidentiality of all Students' records in compliance with applicable state, local and federal laws and regulations and pursuant to the confidentiality Section of this Agreement. CA shall maintain such records as are required to comply with all attendance rules and apportionment requirements specified by applicable law or regulations. The Charter School is the official keeper of the Students Records and, subject to applicable law (including, but not limited to, FERPA), the Student Records shall remain the property of the Charter School. To the extent any information in the Student Records is not immediately available to the Charter School, shall be provided to the Charter School within five (5) business days of the Charter School's written request for such information. CA may retain a copy of such records subject to the confidentiality requirements of this Section.

3.13 Services to Special Needs Students. CA shall be responsible for (a) assisting the Charter School in the development of Special Education Protocols that will govern the manner in which Special Education Services are provided and (b) providing consultative support to the Special Education Director in support of the Special Education Services provided by the Charter School.

3.14 Office Facilities and Services.

(a) The Charter School may contract with CA to provide and/or maintain in good working order one or more offices, capital equipment or furniture and fixtures. Any office space provided or managed by CA shall be ADA-compliant and meet any other requirements of the Charter Contract, Charter School Law, or regulation. The locations, lease terms, and capital purchases required for all facilities provided under this Agreement will be subject to the approval of the Charter School Board. CA agrees that it will have no beneficial financial interest in any approved lease. All leases negotiated on behalf of the Charter School or entered into by CA on behalf of the Charter School shall contain a cancellation clause consistent with the requirements of the Charter Contract, unless otherwise approved by the Charter School Board. In addition, in the event that this Agreement is terminated prior to its expiration, if CA has entered into the facility lease for the Charter School, CA shall have the unilateral option to assign any lease obtained on behalf of the Charter School to the Charter School and the Charter School Board shall accept any such assignment, subject to landlord approval if such approval is required, and any capital equipment or furniture and fixtures owned by CA and located in the facility may be purchased by the Charter School at the then-current tax records book value. If CA has entered into the facility lease for the Charter School, CA shall permit Charter School to hold public meetings of the Charter School at such offices, without payment of rent.

(b) If the Charter School does not elect to contract with CA to provide or manage its facilities and capital equipment, furniture and fixtures, then the Charter School shall be responsible for providing them at its own cost and shall ensure that access to any facility that it

maintains shall be ADA-compliant. Further, liability and property insurance for any facility leased directly or managed by the Charter School, and for any capital equipment or furniture and fixtures owned by the Charter School will be the responsibility of the Charter School.

(c) The Charter School may contract with CA to provide telephone service, data lines, including Internet access, and such other similar services used by personnel who are engaged in providing Educational Services under this Agreement.

3.15 Financial and Other Reporting. CA will provide treasury and accounting support for all CA activities under this Agreement and such other Charter School activities as may be reasonably requested by the Charter School. CA will be responsible for providing to the Charter School Board any such reports as are required by law or regulation and will assist in providing any information required by the Charter Authority, the Georgia Department of Education, or their auditors. CA shall provide information on the performance of the school and its Students to the Charter School Board as required, or upon request with reasonable advance notice, in order to enable the Charter School Board to monitor CA's performance. CA shall also respond to requests for public records in accordance with the Georgia Open Records Act, subject to the ultimate control of the Charter School. CA shall provide financial and other data on the Charter School to the Charter School Board separately from CA's operations or any other schools managed by CA.

3.16 Management of Hardware and/or Software. In the event that the Charter School leases any Hardware and/or Software from CA, CA will manage such Hardware and Software. In the event that the Charter School purchase its own Hardware and/or Software, it shall separately contract with CA for the management of such Hardware and/or Software unless the Charter School agrees in writing to provide management services comparable to those provided by CA and to assume all liability related to any failure by the Charter School to provide such management services.

3.17 Management of Instructional Materials. CA will provide for the management of the Tangible and Intangible Instructional Materials, which shall involve procurement, contracting, storage, fulfillment, and other services required to obtain and deliver such Tangible and Intangible Instructional Materials.

3.18 Other. CA will be responsible to provide such other services not specifically described herein but which are required by the Charter Contract. Upon Board approval, CA shall be permitted to add applicable charges for any new or additional services not previously provided for under this Agreement or the Fee Schedule described in Section 9. To the extent that any of the terms, conditions, or provisions of the Charter Contract conflict or are inconsistent with the provisions of any other paragraph or section of this Agreement, whether or not such inconsistency is expressed or noted herein, the provisions of such other section or paragraph of such Charter Contract shall in all instances prevail over the provisions of this Agreement, subject to adjustment of the Fee Schedule to account for any new or additional services not covered by the Fee Schedule.

3.19 Non-delegable duties. Notwithstanding anything to the contrary in this Agreement, if any service, responsibility, duty, power or authority delegated by the Charter Authority or the Charter School Board to CA pursuant to this Agreement may not be so delegated under applicable law, such delegation shall be null and void and the Parties shall adjust the financial terms of this Agreement accordingly.

#### **4. Services Provided to CA by the Charter School.**

4.1 Special Education Director: In furtherance of Section 4.2 below and in consultation with CA, the Charter School shall employ a properly credentialed individual for the position of Special Education Director who shall be responsible for overseeing the provision of Special Education Services, including the developing and implementing of the Special Education Protocols, overseeing all personnel involved in the provision of Special Education Services, including the School's Section 504 coordinator, and all outside contractors retained for such purposes. The Special Education Director may also act as a Teacher, and/or the 504 coordinator, to the extent qualified to do so, in addition to their other responsibilities.

#### **4.2 Special Education Services.**

(a) The Charter School will adopt Special Education Protocols that comply with state and federal law. In consultation with CA, the Special Education Protocols will be subject to review and revision from time to time throughout the Term. The Special Education Protocols and all modifications to the Special Education Protocols are subject to CA approval. The Special Education Director will fully and consistently implement such Special Education Protocols in the provision of Special Education Services and will accept guidance from CA with respect to providing Special Needs Students with a free and appropriate education ("FAPE").

(b) CA shall have the right to request that the Charter School replace the Special Education Director in the event that CA is dissatisfied with his or her performance, and so notifies the Lead School Administrator in writing. In the event that the Charter School refuses to comply with CA's request to replace the Special Education Director, the Charter School shall have 60 days to develop a plan that fully and consistently implements the Special Education Protocols, as well as addresses any other areas of concern identified by CA related to the provision of Special Education Services ("Special Education Remediation Plan"). The Special Education Remediation Plan shall be developed in consultation with CA and is subject to CA's approval. It is the Special Education Director's responsibility to fully and consistently implement the Special Education Remediation Plan.

4.3 It is understood and agreed by both Parties that CA, its agents, employees, and assigns will not be deemed to have engaged in any wrongdoing, misconduct, negligence, or default under Section 12.1 of this Agreement, with respect to Special Education Services during any period of time that the Charter School fails to: (i) adopt Special Education Protocols approved by CA, (ii) timely and consistently implement the Special Education Remediation Plan referenced in (b) above, or (iii) take corrective action with regard to any issue(s), matter(s), or concern(s) related to Special Education Services brought to the Charter School's attention by CA.

4.4 Compliance with Law and Regulation. The Charter School and the Charter School Board shall conduct all such oversight activities as are required by the Charter School Law or other applicable law and regulation, including meeting any requirements in the Charter Contract or imposed on it by its Charter Authority, conducting all required board meetings in accordance with any applicable open meeting laws or regulations, and acting in compliance with the Charter Contract and bylaws.

4.5 Other Services. To the extent that the Charter School elects not to contract with CA for any of the products or services provided for in this Agreement, the Charter School shall provide

such products or services consistent with any requirements of Chatter School Law or other applicable law and regulation and any requirements in the Charter Contract.

4.6 Insurance. The Charter School shall comply with any insurance provisions as set forth in Section 14.

## **5. Eligible Students.**

5.1 Admission Requirements. Any child qualified under the laws of the state of Georgia for admission to a public school is eligible to become a Student under this Agreement, subject to the Charter Contract, any applicable limitations in law or regulation, and subject to verification of their residency or other requirements established by law or regulation. The Charter School will not charge tuition or any other fees unless allowed by law or regulation.

5.2 Number. The Charter School Board shall establish the number of Students to be enrolled during each Academic Year and CA shall not exceed that number without specific approval from the Charter School Board, and the Charter Authority, if applicable. In addition, CA may limit the number of Students in each grade served under this Agreement to conform to the Budget approved by the Charter School Board.

5.3 Priority. CA agrees to follow the admissions preferences as laid out in the Charter and admission policy adopted by the Charter School Board, including the procedures for conducting a lottery. Any limit on the number of Students who may enroll shall be communicated to interested parents and students prior to their enrollment, including any procedure for conducting a lottery. Once enrolled, Students will not be required to reapply in subsequent Academic Years, but will need to complete information confirming their intent to return, in accordance with the terms of the School Handbook.

5.4 Recruiting and community education. CA will be responsible for developing a plan for periodic community informational meetings and correspondence as required to recruit Students and to inform other interested parties about the Charter School. All such recruiting and community education activities are subject to prior review and approval by the Charter School Board,

5.5 Public website. CA will maintain a public web site on behalf of the Charter School that will contain any information required by the Charter School Law.

5.6 Enrollment. The Charter School delegates to CA responsibility for ensuring that all Students accepted into the School are eligible. The Charter School has no responsibility to pay CA for any Students who are admitted who are not eligible. CA shall maintain a list of the Students Enrolled on behalf of the Charter School and shall provide such list to the Charter School Board and/or Charter Authority immediately upon request. The list shall include all required information for the Student Records.

5.7 Full-time Status. Students shall be permitted to enroll in the School exclusively on a full-time basis. Dual or part-time enrollment will not be permitted except by prior written agreement by CA and the Charter School, and neither Party shall have any obligation to accept a dual or part-time enrollment or provide any payment for services provided by other parties.

5.8 Disenrollment. A Student may withdraw from the Charter School at any time during the Academic Year. Only to the extent permitted by Georgia law, Students who do not comply with the terms of the School Handbook may also be disenrolled. CA will use its reasonable best

efforts to collect any information required by law or regulation concerning a disenrolled Student's next school. CA will report on the status of withdrawals and disenrollments to the Charter School Board at each regularly scheduled Charter School Board meeting. CA will be responsible for reimbursing any state and federal funds that it has received to the extent funding is disallowed as a result of a Student's disenrollment or ineligibility.

**6. Term and Termination.**

6.1 The Term. The term of this Agreement shall commence upon the Effective Date and shall be commensurate with the term in the Charter Contract (the "Initial Term").

6.2 Renewal. Upon expiration of the Term, this Agreement may be renewed, at the Charter School's option, for a length of time commensurate with the renewal term (including successive renewal terms) in the Charter Contract, or such other renewal period agreed upon by the Parties and allowed by the applicable law or regulation ("Renewal Term").

6.3 Early Termination. Except as specifically provided for herein, this Agreement can only be terminated before its expiration as follows:

- (a) by both Parties if they agree in writing to the termination;
- (b) by either Party, if one Party materially breaches this Agreement and fails to cure such breach within thirty (30) days following written notification of such breach from the other Party;
- (c) by CA, if the payments to which CA is entitled under Section 9 of this Agreement are materially reduced as a result of a change in funding provided to the Charter School or applicable law or regulations impose requirements that are materially different from those previously provided under this Agreement and CA is unwilling or unable to make the required changes;
- (d) by either Party, if the Charter Contract is terminated;
- (e) by the Charter School, if the Charter School determines, after a Performance Review, in the Charter School's sole reasonable discretion, that this Agreement should be terminated for failure to perform but only if CA is unable to cure such deficiency after being given reasonable notice thereof, specifying in detail the deficiency and the opportunity to cure any alleged deficiency in performance. The determination as to whether CA has cured the deficiency shall be made in the sole reasonable discretion of the Charter School; provided, however, that such determination shall be made by the Charter School by no later than April 1;
- (f) by either Party, if the Charter School is no longer authorized by the Charter Authority as required by applicable Georgia law and regulation;
- (g) by the Charter School, if the Charter School Board determines that the Educational Products and Services do not meet the Board's requirements for operation of the charter school. Notice of termination under this section shall be provided to CA in accordance with Section 6.4 prior to April 1 unless the Board determines in its sole discretion, after consultation with CA, and upon considering the best interests of the students, that either (1) there is no way to correct the deficiency, or (2) the risk to students is so great that immediate action is required;
- (h) by either Party in the event that the Parties fail to agree on a Budget in accordance

with Section 9;

(i) by CA solely as to employment of the Lead School Administrator of the Charter School, in the event that the Charter School does not agree to replace him or her as Lead School Administrator, as set forth in Section 3.4(d); or

(j) by CA, if there develop irreconcilable differences between the Parties with respect to how either Party carries out their respective responsibilities under the terms of this Agreement.

6.4 Notice of Termination. In the event of a termination of this Agreement prior to its expiration, written notice by certified or registered mail, return receipt requested shall be provided and shall list the reason(s) for termination and the effective date of the termination. Termination shall only occur at the end of an Academic Year and notice shall be given no later than April 1 of the then-current Academic Year except if such termination is the result of Section 6.3 (b), (c), (d) or (f).

6.5 Obligations on Termination. In the event this Agreement is terminated by either Party for any reason: (a) CA shall assist and cooperate with the Charter School in transitioning the provision of Educational Products and Services from CA to the Charter School or another service provider so as to minimize the disruption to Students, (b) each Party will promptly (not later than thirty (30) days after the effective date of termination, or as otherwise mutually agreed to by the Parties in writing) return to the other Party all Confidential Information, property and material of any type belonging to the other Party, including but not limited to, electronic versions, hard copies and reproductions and will not retain copies of any such property or material except as may be expressly permitted in this Agreement or required by applicable law, (c) all access to the EMS and other Educational Products and Services shall be discontinued, (d) CA shall provide copies of all Student Records to the Charter School not otherwise in the Charter School's possession at no additional cost, and (e) the Charter School shall pay CA all undisputed amounts due under this Agreement upon the earlier of their due dates or thirty (30) days after the effective date of termination or as otherwise mutually agreed to by the Parties in writing.

## **7. Representation Regarding Non-discrimination.**

Neither CA nor the Charter School nor the Charter School Board will discriminate against any person on the basis of race, creed, color, sex, national origin, religion, ancestry, sexual orientation or disability, or any other basis prohibited by federal or Georgia law.

## **8. Health and Safety.**

CA specifically acknowledges that it shall adhere to the following standards regarding health and safety:

- (a) Reporting child abuse or neglect of which it has reasonable suspicion, as required by state law;
- (b) Adopting policies prohibiting the use of drugs, alcohol and tobacco on school grounds or at school events; and
- (c) Complying with all state immunization laws.

## **9. Financial Terms.**

9.1 Payments. The following shall represent the financial responsibilities between the Parties.

(a) As compensation for the Educational Products and Services provided by CA under this Agreement, CA and the Charter School shall negotiate in good faith a schedule of fees for services for each year of the Term (the "Fee Schedule"), unless otherwise agreed to by CA and the Charter School in writing (which includes but may not be limited to approved minutes of a Charter School Board meeting). The Parties shall acknowledge and agree that the amounts are reasonable, necessary and fair market value compensation for services rendered. To the extent that the Fee Schedule includes any fees that are based on a "percentage of revenue", such fees shall be assessed against funds received by the Charter School from whatever source, whether from state, local, or federal government agencies, including but not limited to Title 1 funds, grants, income or other funding sources (the "Revenues" and together with all Revenues in a given Academic Year, collectively "Total Revenues").

(b) Any costs required by the Charter Contract not specifically included in this Agreement shall be paid by the Charter School.

(c) The Parties may agree to have CA act as its payment agent for various other expenditures not included in the Fee Schedule. CA will be entitled to reimbursement for these expenses on a monthly basis as they are incurred upon the submission of appropriate documentation.

(d) CA will invoice the Charter School monthly according to the Fee Schedule. Payment will be due within five (5) business days of action by the Charter School Board which shall use its best efforts to review and approve invoices within thirty (30) days of receipt. CA may charge interest at the rate of one and one half percent (1.5%) per month for any invoices which remain unpaid for more than sixty (60) days after receipt unless such failure to pay is the result of funds being withheld from the Charter School due to a failure by CA to perform under the terms of the Agreement, or if the Charter School has insufficient funds to pay the invoice as the result of outstanding receivables, deferred payment by the State or Charter Authority of funding due; or if the Charter School is disputing any charges. The Charter School shall notify CA of the basis for any dispute within ten (10) business days of receipt of the invoice and shall work to resolve the dispute within thirty (30) days. All amounts other than any amount in dispute shall be paid according to the terms herein. Funds shall also be subject to adjustment based on any adjustments to Student counts as a result of an audit by the State of Georgia. Any differences in amounts that were previously paid under this Agreement as a result of such audits shall only be applied to or against the next payment or payments otherwise due under this Section.

(e) To the extent that any adjustments as a result of a state audit are the result of CA's failure to adequately perform its responsibilities under this Agreement or the Charter Contract, CA will be required to either (i) return any required funds to the Charter School as required by the Charter Authority or (ii) to the extent that funds are withheld from future payments to the Charter School, reduce payments otherwise due to CA by the amount that funding is withheld.

9.2 Protection Against Deficits. In the event that as of June 30 of any year during the Term, the total amount of Revenues received within such Academic Year ("Total Revenues") are less than the Charter School's expenditures, including payments to CA as well as those incurred and

paid by the Charter School, but excluding any payments otherwise due to CA by the amount that funding is withheld for capital expenditures (the “Total Expenditures”), and in the event that the Charter School does not have positive Net Assets (as defined in its annual audited financial statements) sufficient to offset the difference between Total Revenues and Total Expenditures, to the extent that any expenditures in excess of Total Revenues were included in the balanced budget or were subsequently approved by both Parties in an amended budget, CA shall issue a credit or make a cash payment to the Charter School to the extent required to maintain positive Net Assets at least equal to \$10,000 as of each June 30 during the Term of this Agreement. To the extent that the Net Assets at the end of any June 30 exceeds \$10,000, and in the event that credits have previously been issued and not repaid, CA shall be entitled to the repayment of any such credits.

9.3 Budgets. No later than the earlier of June 1 or fourteen (14) working days prior to any regulatory or Charter Contract requirement to file a budget, CA agrees that it will present to the Charter School a balanced budget (i.e. not resulting in a cumulative net asset deficit) for the following fiscal year, based upon the priorities established by the Charter School Board, for review and approval by the Charter School Board. The Budget shall be in reasonable detail, shall meet all regulatory reporting requirements and shall be based on the applicable Fee Schedule. The Budget shall include a portion of funding for the Board’s activities, including Board training. In the event that the Charter School Board and CA do not agree with the proposed balanced budget, the Parties agree to Work together in good faith to resolve any disagreements by the earlier of June 30 or such date as is required by any regulatory requirement or the Charter Contract for the budget submission.

9.4 Breakdown of Charges. No later than September 30 of each year during the Term, CA, for information purposes only, will provide to the Charter School a breakdown of its charges including a breakdown between Tangible and Intangible Instructional Materials, amounts charged for staff compensation, the license to the EMS, computer Software and Hardware, etc. This shall not change the amounts due to CA by the Charter School, but shall provide the Charter School with support for the charges for the products and services provided by CA.

9.5 Sales Tax. The Charter School shall provide CA with support that it is tax exempt. To the extent that the Charter School is not tax exempt, the Charter School shall be responsible for federal, state, or local taxes assessed, if any, based on the Educational Products and Services provided to the Charter School under this Agreement. If any sales and use taxes are assessed on purchases made from CA, CA will provide a credit to the Charter School equal to the amount of the sales or use taxes paid by the Charter School.

## **10. Confidential Information.**

10.1 Confidential Information Defined. As used in this Agreement, “Confidential Information” means all information in whatever form, tangible or intangible, pertaining in any manner to the business of a disclosing Party (or any of its affiliates) or to a disclosing Party’s customers or business partners unless it must be disclosed by applicable law. It is acknowledged that the following information will be included, without limitation, in the definition of Confidential Information, whether in written or verbal form, and including electronic data recorded or retrieved by any means: (i) unpublished educational content, curricula, teaching outlines, lesson plans, testing processes and procedures; (ii) Student Records and other student-related personal information; (iii) information regarding business strategy and operations such as

business plans, marketing strategies, outreach plans and sales information, pricing information and customer and prospect lists, the identities and locations of vendors and consultants providing services or materials to or on behalf of the disclosing Party; (iv) information regarding product development such as product designs and concepts, development methods, computer software, inventions and other work product; (v) financial information such as budget and expense information, economic models, pricing, cost and sales data, operating and other financial reports and analysis; and (vi) human resource information such as compensation policies and schedules, employee recruiting and retention plans, organization charts, disciplinary records and other personnel data; (vii) the terms of this Agreement; and (viii) other similar non-public information that may provide the disclosing Party with a strategic advantage or could harm the disclosing Party if publicly disclosed.

10.2 Obligation to Protect. To the extent permitted by law, the Charter School and CA shall maintain the confidentiality of the Confidential Information. Receiving Party agrees to use and disclose Confidential Information only as required in performing its obligations under this Agreement and for no other purpose and to hold all such Confidential Information in the strictest confidence, and except with the prior written authorization of the disclosing Party, not to (a) disclose it to any person, firm or corporation, or (b) use it for the benefit of anyone other than for the disclosing Party. Notwithstanding the foregoing, the Charter School shall be permitted to make such disclosures and retain such materials as is required for the Charter School to comply with applicable laws and regulations, and in accordance with Section 3.14. CA shall make such information and facilities available to authorized Charter School personnel, the Charter Authority, Georgia regulatory authorities, and any other person, as required to comply with applicable laws and regulations, and in accordance with Section 3.14.

10.3 Protection of Student Records. The Parties acknowledge and agree that under Georgia law and the Family Educational Rights and Privacy Act 20 U.S.C. § 1232g (“FERPA”), including any regulations promulgated thereunder, each Party has certain obligations with regard to maintaining the security, integrity and confidentiality of “education records”, as that term is defined by FERPA. The Parties agree that they shall perform their obligations under this Agreement in compliance with FERPA and any regulations promulgated thereunder. The Parties designate the staff, employees and volunteers who are providing educational and/or administrative services to the Student as agents of the Charter School having a legitimate educational interest and thus entitled to access to educational records under, FERPA. The Parties shall also maintain Student Records in accordance with any other applicable state, local and federal laws and regulations.

10.4 Remedy for Breach. The Parties acknowledge that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information and that a disclosing Party shall be entitled, without waiving any other rights or remedies, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

## **11. Ownership of Intellectual Property and Tangible Personal Property Supplied by CA.**

11.1 Intellectual Property. Charter School agrees that CA, or its licensor, is the sole owner of the EMS and CA, its affiliates, and/or its contracted vendors are the owners of any Intangible Instructional Materials and other content contained in the EMS (“Content”) made available pursuant to Section 2.5. The Charter School will acquire no rights in trademarks, patents,

copyrights or trade secrets related to the LMS, the Intangible Instructional Materials or the Content by reason of the Charter School's use of the same in connection with this Agreement. In the event that Teachers and/or Administrative Staff are employed by the Charter School, the Charter School grants and agrees to cause its employees and agents to grant to CA and its successors and assigns, the non-exclusive perpetual, irrevocable, worldwide and royalty-free license to use (including to provide Educational Products and Services), modify, market and create derivative works based upon any instructional or other copyrightable materials created by Teachers and/or Administrative Staff who are employees or agents of the Charter School, if any, without identifying or seeking the consent of the Charter School or any of its employees or agents. Any such derivative works created shall be the sole property of CA and its transferees.

**11.2 Tangible Personal Property.** This Agreement does not constitute a sale or other transfer to the Charter School of any Educational Products supplied by CA pursuant to Section 2. All right, title, and interest in and to such Educational Products will remain with CA.

**11.3 Trademarks.** CA is the owner of various trademarks, service marks, logos and/or trade names used in its business of providing Educational Products and Services, which can be found at <http://www.connectionsacademy.com/Libraries/PDFs/CACCommonLawTrademarks.pdf> (collectively, the "Licensed Marks"). CA grants to the Charter School a non-exclusive, non-transferable, royalty-free license to use the Licensed Marks during the term of this Agreement solely in connection with the performance of this Agreement and subject to pre-approval of such use by CA. The Charter School agrees to make reasonable efforts to use of the Licensed Marks in accordance with CA's trademark usage guidelines provided by CA, the most up to date version of which can be found at <http://www.connectionsacademy.com/terms-of-use/trademark-guidelines.aspx>. CA retains all right, title and interest in and to the Licensed Marks and any related proprietary rights not expressly granted to the Charter School hereunder. All goodwill attributable to the Licensed Marks will inure exclusively to the benefit of CA. In the event of a termination of this Agreement, the Charter School agrees to terminate use of the Licensed Marks and amend any publicly recorded and unrecorded documents to remove the name "Connections Academy," the Connections Academy logo and any other Licensed Marks that may be contained therein within sixty (60) days after the effective date of termination, unless otherwise agreed to by the Parties.

## **12. Indemnification.**

**12.1 Indemnification by CA.** CA shall defend, indemnify and hold the Charter School and its respective directors, officers, members, agents and employees harmless against and from all costs, expenses, damages, injury or loss (including reasonable attorney's fees) to which the Charter School and their respective agents and employees may be subject by reason of any wrongdoing, misconduct, negligence, or default by CA, its members, officers, agents, employees, or assigns in the execution or performance of this Agreement. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act or omission of any Charter School Board member, officer, director, agent, or employee. This indemnification, defense and hold harmless obligation on behalf of CA shall survive the termination of this Agreement. The Charter School shall have the right, at its own expense, to participate in the defense of any suit, without relieving the CA of any of its obligations hereunder.

12.2 Indemnification by the Charter School. To the extent not covered by insurance or barred by any state legislation, the Charter School shall defend, indemnify and hold CA and its respective members, officers, agents and employees harmless against and from all costs, expenses, damages, injury or loss (including reasonable attorney's fees) to which CA and their respective agents members, officers, and employees may be subject by reason of any wrongdoing, misconduct, negligence, or default by the Charter School, its agents, employees, or assigns in the execution or performance of this Agreement. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act or omission of any CA officer, agent, or employee. This indemnification, defense and hold harmless obligation on behalf of the Charter School shall survive the termination of this Agreement. CA shall have the right, at its own expense, to participate in the defense of any suit, without relieving the Charter School of any of its obligations hereunder.

12.3 Indemnification Procedure. The indemnified Party will: (a) promptly notify the indemnifying Party in writing of any claim, loss, damages, liabilities and costs, and for third party claims, (b) have the right to control the defense, and (c) reasonably cooperate with the indemnifying Party in the defense and any related settlement negotiations. In addition to any defense provided by the indemnifying Party, the indemnified Party may, at its expense, retain its own counsel. If the indemnifying Party does not promptly assume the indemnified Party's defense against any third party claim, the indemnified Party reserves the right to undertake its own defense at the indemnifying Party's expense.

### **13. Limitation of Liabilities.**

13.1 In no event will the Charter School Board and their respective employees or agents be responsible or liable for the debts, acts or omissions of CA, its directors, officers, employees, or agents.

13.2 In no event will CA, its Affiliates and their respective employees or agents be responsible or liable for the debts, acts or omissions of the Charter School, its directors, officers, employees, or agents.

### **14. Insurance.**

14.1 CA Insurance. CA shall maintain and keep in force no less than substantially such amounts of insurance as are provided for in **Exhibit A** to cover insurable risks associated with operations under this Agreement, whether such operations are conducted by CA, or by any subcontractor or anyone directly or indirectly employed by any of them. Such coverage will include worker's compensation insurance for any CA employees provided under the terms of this Agreement. The Charter School shall be included as an "additional insured" as to any such coverage.

14.2 Charter School Insurance. The Charter School shall maintain and keep in force insurance at no less than the minimum levels required by the Charter Contract and/or applicable law. Further, the Charter School may elect to maintain additional coverage, in which event CA shall arrange for the requisite coverage on behalf of the Charter School and include the cost in the Fee Schedule. CA shall be included as an "additional insured" as to any such coverage. The Charter School will also maintain and keep in force Director and Officer's Insurance in the amount required by the Charter Authority, but in no event less than one million (\$1,000,000) dollars in

the aggregate.

14.3 Liability Insurance. Liability insurance for any facility leased directly and/or managed by the Charter School and any capital equipment or furniture and fixtures owned by the Charter School will be the responsibility of the Charter School.

**15. Notices.**

Any notice, demand or request from one party to the other party hereunder shall be deemed to have been sufficiently given or served for all purposes if and as of the date it is delivered by hand, received by overnight courier, or within three (3) business days of being sent by registered or certified mail, postage prepaid to the Parties at the following addresses:

To the Charter School Board: Georgia Connections Academy Charter School, Inc.  
c/o Alisa Hug  
2317 Calibre Creek Parkway  
Roswell, GA 30076

Cc: Board Counsel Mary M. Brockington  
Strickland Brockington Lewis LLP  
1170 Peachtree Street NE  
Suite 2200  
Atlanta, GA 30309-7200

If to CA: Connections Education LLC  
1001 Fleet Street, 5th Floor  
Baltimore, MD 21202  
Attn: President

Cc: Connections Education LLC  
1001 Fleet Street, 5th Floor  
Baltimore, MD 21202  
Attn: General Counsel

**16. Miscellaneous.**

16.1 Severability. If any provision of this Agreement is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Agreement. If any provision of this Agreement shall be or become in violation of any federal, state, or local law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

16.2 Successors and Assigns. The terms and provisions of this Agreement shall be assignable by either party only with the prior written permission of the other which consent shall not be unreasonably withheld; provided that a change in control of CA or its managing member shall not be deemed a violation of this Agreement.

16.3 Complete Agreement; Modification and Waiver. This Agreement constitutes the entire agreement between the Parties with respect to the matter contained herein and supersedes all prior and contemporaneous agreements, warranties and understandings of the Parties. There are no agreements, representations or warranties of any kind except as expressly set forth in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both Parties. No waiver of any of the provision, whether or not similar, shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

16.4 Force Majeure. If any circumstance should occur that is not anticipated or is beyond the control of a party or that delays or renders impossible or impracticable performance as to the obligations of such party, such as fires or other casualties or accidents, acts of God, severe weather conditions, strikes or labor disputes, or war or acts of terrorism, or other the like, the party's obligation to perform such services shall be postponed for a period equal to the time during which such circumstance shall extend, or, if such performance has been rendered impossible by such circumstance, shall be cancelled.

16.5 No Third Party Rights. This Agreement is made for the sole benefit of the Parties. Except as otherwise expressly provided, nothing in this Agreement shall create or be deemed to create a relationship among the Parties or any of them, and any third party, including a relationship in the nature of a third party beneficiary or fiduciary.

16.6 Professional Fees and Expenses. Each party shall bear its own expenses for legal, accounting, and other fees or expenses in connection with the negotiation of this Agreement.

16.7 Governing Law. This Agreement shall be governed and controlled by the laws of the State of Georgia. Any legal actions prosecuted or instituted by any party under this Agreement shall be brought in a court of competent jurisdiction located in the State of Georgia, and each party hereby consents to the jurisdiction and venue of any such courts for such purposes.

16.8 Counterparts. This Agreement may be signed in counterparts, which shall together constitute the signed original agreement.

16.9 Compliance with laws, policies, procedures, and rules. CA will comply with all federal and state laws and regulations according to the Charter School Law.

16.10 Interpretation of Agreement. The Parties hereto acknowledge and agree that this Agreement has been negotiated at arm's length and between Parties equally sophisticated and knowledgeable in the manner dealt with in this Agreement.

16.11 Headings; Exhibits. The section headings contained herein are for convenience only and shall not in any way affect the interpretation or enforceability of any provision of this Agreement. All schedules and exhibits to this Agreement are incorporated herein and shall be deemed a part of this Agreement as fully as if set forth in the body hereof.

16.12 Attendance at Meetings. CA will designate an individual or individuals who shall have the right to attend all Charter School Board meetings held during the term of the Agreement, including any closed or executive sessions, except for those closed or executive sessions where the contract between CA and the Charter School is being negotiated or when such attendance would constitute a waiver of the attorney-client privilege. At the beginning of any closed or

executive session, after the topic of discussion has been announced and after CA has been given an opportunity to explain why it believes it is important to its management function to be permitted to attend such closed or executive session, the Board Chair shall have the right to excuse CA from all or part of such closed or executive session. Except as expressly set forth herein, CA's attendance at any Charter School Board Meeting, including closed and executive sessions, does not confer a right to participate in the meeting, unless, and then only to the extent, expressly invited to do so by the Charter School Board.

16.13 Ambiguity. It is acknowledged that this Agreement is the product of negotiation between the Parties hereto, and the fact that a particular party Prepared the draft(s) or final form of this Agreement shall not be relevant in the construction or interpretation of this Agreement should any provision or portion of this Agreement be deemed to be ambiguous.

16.14 Survival. The rights and responsibilities of Sections 6.5, 9, 10, 11, 12, 13, 15 and 16 shall survive the termination of this Agreement.

16.15 Electronic Signatures. This Agreement and related documents may be accepted in electronic form (e.g., by scanned copy of the signed document, an electronic or digital signature or other means of demonstrating assent) and each Party's acceptance will be deemed binding on the Parties. Each Party acknowledges and agrees it will not contest the validity or enforceability of this Agreement and related documents, including under any applicable statute of frauds, because they were accepted and/or signed in electronic form. Each Party further acknowledges and agrees that it will not contest the validity or enforceability of a signed facsimile copy of this Agreement and related documents on the basis that it lacks an original handwritten signature. Facsimile signatures shall be considered valid signatures as of the date hereof. Computer maintained records of the Agreement and related documents when produced in hard copy form shall constitute business records and shall have the same validity as any other generally recognized business records.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives as of the Effective Date written above.

GEORGIA CONNECTIONS ACADEMY  
CHARTER SCHOOL, INC.

CONNECTIONS ACADEMY OF  
GEORGIA, LLC

By: [Signature]  
Title: Board Chair Representative  
Date: May 2, 2013

By: [Signature]  
Title: President  
Date: 5/2/2013

## Georgia Connections Academy - 2017-2018 Budget

### Connections Academy of Georgia, LLC Fee Schedule

Fee	Factor	Notes
Educational Resource Center	\$126.00	per each enrolled student, calculated as an average over the school year
ConnexusTM Annual License (EMS)	\$600.00	per each enrolled student, calculated as an average over the school year
Technical Support and Repairs	\$150.00	per each enrolled student, calculated as an average over the school year
Accounting and Regulatory Reporting	\$40.00	per each enrolled student, calculated as an average over the school year
Direct Course Instruction Support	\$1.53	per student day, based on enrollment at a point in time each month in a NaCA supported course
Short Term Substitute Teaching Services	\$300.00	per day, if service is provided by a teacher employed by the EMO Partner
Hardware/Software - Employees	\$600.00	per each staff member employed at the end of the year
Human Resources Support	\$1,250.00	per each staff member employed at the end of the year
School Curriculum Supplies	\$500.00	per each teacher employed at the end of the school year
Facility Support Services	\$10,000.00	per each school office location
Enrollment and Records Management	\$40.00	per each student who enrolls at any time during the school year
Curriculum Postage	\$33.00	per each student who enrolls at any time during the school year
Tangible and Intangible Instructional Materials - Kindergarten *	\$600.00	per each Kindergarten student enrolled at any time during the school year
Tangible and Intangible Instructional Materials - 1st-5th Grade*	\$950.00	per each 1st - 5th grade student enrolled at any time during the school year
Tangible and Intangible Instructional Materials - 6th-12th Grade*	\$1,075.00	per each 6th - 12th grade student enrolled at any time during the school year
Treasury Services	1.50%	of all revenue from governmental sources, excluding any special education revenue
Marketing Services	1.00%	of all revenue from governmental sources, excluding any special education revenue
School Administration	6.50%	of all revenue from governmental sources, excluding any special education revenue
Special Education Oversight and Liability	2.50%	of all revenue from governmental sources, excluding any special education revenue
Special Education Direct Services	100.00%	of all special education revenue
Employee Benefits	22.00%	per actual gross wages and bonus accrual for administration and teachers
Community Outreach	\$100,000	Board approved budget for school's contribution toward outreach effort

Expenses Reimbursed to Connections Academy at Cost	Expenses Paid by the School by Contractual Obligation
Employee Wages, Pension and Taxes	Banking fees
Office Supplies	Bookkeeping and Audit
Copiers/Reproduction	Dues
Office Postage	Accreditation
Student Testing & Assessment	Directors and Officers Insurance
Staff Recruiting	Legal
Staff Training / Prof. Dvlpmnt.	Board-Related Expenses
Travel and Conferences	Sponsor Fee
Team Building	Other Curriculum
Maintenance and Repair	Summer School
High Speed Internet	Graduation Expense
Phone	Student Activities
Office Rent	Any Other Expenses for Services not Contracted to Connections Academy of Georgia, LLC
Expenses Pending Allocation	
Expensed Equipment	
Contract School Staff	

\* Items under Student Technology Assistance and Tangible and Intangible Instructional Materials are provided to the school and its students for use during the school year. They remain the property of Connections Academy of Georgia and/or its vendors.

---

The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision makers. For more information, contact us at (404)656-2180 or visit our website at [www.audits.ga.gov](http://www.audits.ga.gov).