

**SECOND AMENDMENT TO
COMMUNITY SCHOOL CONTRACT
for
Sciotoville Community School**

This Second Amendment to Community School Contract is entered into on July 1, 2018, by and between the Thomas B. Fordham Foundation (hereinafter the "SPONSOR") and the governing authority (hereinafter the "GOVERNING AUTHORITY") of Sciotoville Community School, located at 224 Marshall Avenue, Sciotoville, Ohio 45662 (hereinafter "SCS").

RECITALS

WHEREAS, the SPONSOR and the GOVERNING AUTHORITY entered into a Community School Contract effective July 1, 2016, pursuant to the provisions of Chapter 3314 of the Ohio Revised Code (the "Community School Contract").

WHEREAS, effective July 1, 2018, the SPONSOR and GOVERNING AUTHORITY hereby agree to make additional changes to the Article II (Term) and Exhibit IV (Academic and Organizational Accountability Plan) of the Community School Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the SPONSOR and the GOVERNING AUTHORITY amend the Community School Contract as follows:

1. The first paragraph of Article II (Term) of the Community School Contract is hereby deleted in its entirety and replaced as follows:

The term of this Contract shall be for a period of two years year commencing July 1, 2018, and ending June 30, 2020 (the "Term")—provided, however, that the SPONSOR or GOVERNING AUTHORITY may terminate this Contract prior to its term, pursuant to Article X of this Contract. This Contract may be renewed by the parties hereto in accordance with the requirements of Section 3314.03(E) of the Code. This Contract is not valid and binding until executed by both parties.

2. Exhibit IV of the Community School Contract is hereby deleted in its entirety and replaced as follows:

EXHIBIT 4: ACADEMIC AND ORGANIZATIONAL ACCOUNTABILITY PLAN

Pursuant to Article III of this Contract, the Academic and Organizational Accountability Plan constitutes the agreed-upon academic, financial, and organizational and governance requirements ("Requirements") that the GOVERNING AUTHORITY and SPONSOR will use to evaluate the performance of the Community School during the term of this contract. Each of these Requirements may be considered by the SPONSOR to gauge success throughout the term of this contract.

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To be considered for contract renewal, the GOVERNING AUTHORITY is expected to have “achieved” the standard as specified herein, which is the SPONSOR’s minimum expectation for the School, in all primary academic indicators, all financial indicators, and all primary operations/governance indicators. Secondary indicators (for both academics and operations/governance) will be considered as well, but primary indicators will factor more heavily into decisions about renewal or nonrenewal, as well as about probation, suspension, and termination. An inability to achieve minor elements of the standards may not prevent consideration of contract renewal, based on the totality of the circumstances, which will be subject to the SPONSOR’s sole and complete discretion.

Primary academic indicators	Exceeds the standard	Meets the standard	Does not meet the standard	Falls far below the standard
Performance index (PI) ¹	90% or higher	80%–89%	70%–79%	69% and below
Value added (VA) ²	+4.00 and above	0 to 3.9	–0.99 to –3.9	–4.0 and below
Graduation rate (four years)	93%–100%	84%–92%	79%–83%	Below 79%
Graduation rate (five years)	95%–100%	85%–94%	80%–84%	80% and below
K–3 literacy improvement	B or better	C	D	F
Performance versus local market: ³ PI	Ranked in top 20th percentile in PI score	Ranked in 70th–79th percentile in PI score	Ranked in 50th–69th percentile in PI score	Ranked in bottom 49th percentile in PI score
Performance versus local market: VA	Ranked in top 20th percentile in VA score	Ranked in 70th–79th percentile in VA score	Ranked in 50th–69th percentile in VA score	Ranked in bottom 49th percentile in VA score
Performance versus statewide charters: PI	Ranked in top 20th percentile in PI score	Ranked in 70th–79th percentile in PI score	Ranked in 50th–69th percentile in PI score	Ranked in bottom 49th percentile in PI score
Performance versus statewide charters: VA	Ranked in top 20th percentile in VA score	Ranked in 70th–79th percentile in VA score	Ranked in 50th–69th percentile in VA score	Ranked in bottom 49th percentile in VA score

¹ The performance-index (PI) percentage is calculated as follows: school’s PI score divided by 120 (the highest possible PI score).

² A value-added (VA) score is a statistical estimate intended to convey how much a school has contributed to student learning. A higher VA score conveys greater confidence that, on average, the school has contributed more than one standard year of academic growth; a lower VA score conveys greater confidence that the school has, on average, not contributed more than one standard year of academic growth.

³ “Local market” includes other charter schools (excluding virtual and dropout-recovery charter schools, as designated by the ODE) in the county in which a school is located, as well as comparable district schools in the charter school’s serving district, as designated by the ODE.

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Secondary academic indicators	Exceeds the standard	Meets the standard	Does not meet the standard	Falls far below the standard
VA: overall grade	A	B or above	C or below	D or below in VA and PI = probation
PI: overall grade	A	B or above	C or below	D or below in VA and PI = probation
VA: gifted	A	B or above	C or below	
VA: disabilities	A	B or above	C or below	
VA: lowest 20%	A	B or above	C or below	
VA: high school	A	B or above	C or below	
AMOs (gap closing)	A	B or above	C or below	
College-admission-test participation rate	A	B or above	C or below	
College-admission-test nonremediation score	A	B or above	C or below	
Dual-enrollment credits	A	B or above	C or below	
Industry credentials	A	B or above	C or below	
Honors diplomas awarded	A	B or above	C or below	
AP participation rate	A	B or above	C or below	
AP score	A	B or above	C or below	
IB participation rate	A	B or above	C or below	
IB score	A	B or above	C or below	
College- and career-readiness assessment	A	B or above	C or below	
School regularly administers internal growth assessment		Yes	No	
School met a majority of its internal goals (section A.7 of this contract)		Yes	No	

Financial	Exceeds the	Meets the	Does not meet	Falls far below
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measures of success (current year)	standard	standard	the standard	the standard
Current ratio of assets to liabilities	Ratio is greater than or equal to 1.1	Ratio is between 1.0 and 1.1 AND one-year trend is positive (current year's ratio is higher than last year's)	Ratio is between 0.9 and 1.0 or equals 1.0 OR ratio is between 1.0 and 1.1 AND one-year trend is negative	Ratio is less than or equal to 0.9
Days cash	60 or more days cash	Between 30 and 60 days cash	Between 15 and 30 days cash OR between 30 and 60 days cash AND one-year trend is negative	Fewer than 15 days cash
Current-year enrollment variance ⁴	Actual enrollment equals or is within 95% of budgeted enrollment in most recent year	Actual enrollment is 90%–95% of budgeted enrollment in most recent year	Actual enrollment is 80%–90% of budgeted enrollment in most recent year	Actual enrollment is less than 80% of budgeted enrollment in most recent year

Financial measures of success (prior years)	Exceeds the standard	Meets the standard	Does not meet the standard	Falls far below the standard
Multiyear ratio of assets to liabilities ⁵	Ratio is greater than or equal to 1.1 for at least the two most recent years	Ratio is between 1.0 and 1.1 for at least the most recent year	Ratio is below 1.0 for the most recent year OR is below 1.0 in the two most recent years out of three years	Ratio is 0.9 or less for the most recent year OR is 0.9 or less in the two most recent years out of three years
Cash flow	Cash flow is positive for at least the two most recent years	Cash flow is positive for at least one of the most recent two years	Cash flow is not positive for at least one of the most recent two years	Cash flow is negative for any two consecutive years
Total margin (TM)	ATTM is	ATTM is	ATTM is greater	ATTM is less

⁴ The enrollment variance depicts actual enrollment divided by enrollment projection in the charter school's board-approved budget.

⁵ The multiyear ratio of assets to liabilities depicts the relationship between a school's annual assets and liabilities, covering the last three years.

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and aggregated three-year total margin ⁶ (ATTM)	positive and the most recent year TM is also positive	greater than -1.5%; the trend is positive for the last two years; AND the most recent year TM is positive	than -1.5%, but the trend does not "meet standard"	than or equal to -1.5% OR the most recent year TM is less than -10%
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Operations/ governance primary indicators	Exceeds the standard	Meets the standard	Does not meet the standard	Falls far below the standard
Records compliance ⁷	90% or higher	79%–89%	60%–78%	59% or below
On-time records submission rate	90% or higher	79%–89%	60%–78%	59% or below
Financial records submitted monthly	90% or higher	79%–89%	60%–78%	59% or below
Annual audit	Two consecutive years of no findings, findings for recovery, noncompliance citations, questioned costs, or material weaknesses, as set forth in the audit	No findings, findings for recovery, noncompliance citations, questioned costs, or material weaknesses, as set forth in the audit	Audit contains three or more of the following: findings, noncompliance citations, questioned costs, material weaknesses, or findings for recovery (less than \$5,000 combined), as set forth in the audit	Audit contains three or more of the following: findings, noncompliance citations, questioned costs, material weaknesses, or findings for recovery (in excess of \$5,000 combined), as set forth in the audit
LEA special-education performance	Meets requirements	Needs assistance	Needs intervention	Needs substantial intervention

⁶ Total margin (TM) measures the deficit or surplus a school yields out of its total revenues; in other words, it measures whether or not the school is living within its available resources. The TM is important to track, as schools cannot operate at deficits for a sustained period of time without risk of closure. The aggregate three-year total margin (ATTM) is helpful for measuring the long-term financial stability of the school by smoothing the impact of single-year fluctuations. The performance of the school in the most recent year, however, is indicative of the sustainability of the school; thus, the school must have a positive TM in the most recent year to meet the standard. The TM is the net income divided by the total revenue. The ATTM is the total three-year net income divided by the total three-year revenues.

⁷ Records compliance represents the percentage of records reviewed that were accurate and complete during the school year.

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determination (most recent annual) ⁸				
Operations/ governance secondary indicators	Exceeds the standard	Meets the standard	Does not meet the standard	Falls far below the standard
Five-year forecasts submitted to ODE by statutory deadlines		Yes	No	
Preopening assurances documentation		Completed and available 10 days before the first day of school	Not completed 10 days before the first day of school	
Annual report		Submitted to parents and sponsor by the last day of October	Not submitted to parents and sponsor by the last day of October	
Safety plan and blueprint submitted within the last three years to the Ohio Attorney General		Yes	No	
Family survey results	90% or greater overall satisfaction with school	80%–89% overall satisfaction with school	70%–79% overall satisfaction with school	69% or lower overall satisfaction with school

The SPONSOR will consider the following additional accountability measures regarding the performance of the school.

Annual academic performance targets

	2016–17 (baseline)	2017–18	2018–19	2019–20
Math proficiency	38%	40%	42%	44%
ELA proficiency	53%	55%	57%	59%

* These targets are based on Sciotoville proficiency rates, schoolwide on state math and ELA exams.

Students will make 1.5 years of growth in math and ELA on Ohio’s VA measure.

Annual retention targets

⁸ The Individuals with Disabilities Education Improvement Act (IDEIA) requires that state education agencies make annual determinations regarding the performance of special-education programs operated by local education agencies (LEAs) that receive federal IDEA Part-B funding. In Ohio, individual charter schools are considered LEAs.

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	2016-17 (baseline)	2017-18	2018-19	2019-20
Retention rate	88%	88%	89%	90%

* These targets are based on Sciotoville student retention rate.

Annual academic performance targets for consistently enrolled students

	2016-17 (baseline)	2017-18	2018-19	2019-20
Math proficiency	34%	37%	40%	43%
ELA proficiency	59%	62%	65%	68%

* These targets are based on Sciotoville proficiency rates for students enrolled for three or more years on state math and ELA exams.

Additional measures

Annually, the school will undergo an independent evaluation of the school's curriculum and instructional practices.

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The SPONSOR and the GOVERNING AUTHORITY hereby agree that the Community School Contract in all other respects remains in full force and effect and is affirmed as originally written.

IN WITNESS WHEREOF, this Agreement has been executed by the parties on the date first written above.

ON BEHALF OF THE
THOMAS B. FORDHAM FOUNDATION

By: 
Michael J. Petrilli
President

THE GOVERNING AUTHORITY OF
Sciotoville Community School

By: 
Governing Authority Representative

Print Name: WILLIAM M. STONE