



## Utah State Charter School Board

### Review of Facilities Contracts or Financing Agreements for Charter Schools

U.C.A. §53G-5-404 (9) provides that “charter schools shall submit agreements relating to the charter school’s facilities or financing of the charter school’s facilities to an attorney and the school’s authorizer for review and advice.” ~~“a charter school shall submit any lease, lease purchase agreement or other contract or agreement relating to the charter school’s facilities or financing of the charter school’s facilities to the school’s authorizer and an attorney for review and advice prior to the charter school entering into the lease, agreement or contract.”~~

This review applies to all leases, lease purchase agreements, bonds, notes, or other contracts or agreements of \$50,000 or more per year or 5% of a charter school’s annual budget.

To facilitate this statutory requirement, the State Charter School Board (SCSB) provides this ~~policy and procedure~~ which is a two-step process.

#### Types of Agreements to Be Reviewed:

~~The SCSB may provide comment on leases or purchase contracts or agreements that relate to a charter school’s physical facility, which are a substantial financial commitment (\$50,000 or more per year, or 5% of a charter school’s annual budget).~~

#### Review Process:

~~As part of the review process, the following documents and information are to be submitted to SCSB staff, via upload into the UCAP system, no later than fourteen days prior to approving the lease, contract, or agreement. Comments by the SCSB will be provided to the school’s governing board chair within fourteen days of the receipt of all the following documents and information:~~

1. Upload the following into the Utah Charter Access Point (UCAP) system ~~fourteen (14)~~ days prior to the board meeting where the charter school is going to review and/or approve the lease, contract, or agreement.

a. A brief narrative about the lease, contract, or agreement.

~~1-b~~ The lease, contract, or agreement ~~subject to review,~~ along with the associated payment or amortization schedule;

Formatted

c Letter from an attorney ~~experienced in Finance and Real Estate~~ affirming that they have received ~~review of~~ the lease, contract, or agreement ~~draft and will be conducting a review~~ as required by U.C.A. §53G-5-404 (9) ~~that will be sent to the charter school's governing board chair, director, and business manager prior to the charter school approving the lease, contract, or agreement;~~

~~2.d A signed declaration by the governing board chair, director, and business manager affirming that there are no conflicts of interest, but if so, a description of how such conflicts were resolved.~~

Formatted

2. Upload the following into the UCAP system ~~twenty-one (21)~~ days after the board meeting where the charter school approved the lease, contract, or agreement.

a Documents relating to the negotiation and resolution passed by the charter school's governing board regarding key terms of the procurement solicitation and vendors considered.

b The board agenda showing that the lease, contract, or agreement was noticed in the Utah Public Website prior to the board meeting where it was approved.

c The board meeting minutes showing that the charter school's governing board approved the lease, contract, or agreement in an open meeting.

d For closed sessions, minutes showing the reason for going into the closed session and the vote to go into the closed session.

~~3. Governing board meeting minutes showing that the charter school governing board has reviewed and approved the draft lease, contract, or agreement in an open and noticed meeting; and has considered key terms, such as price, term, financing, option to purchase, penalties, and the school's responsibilities;~~

Formatted

~~4. If applicable, documents relating to the solicitation of the lease, contract, or agreement, such as a copy of the resolution passed by the school's governing board regarding the key terms of the procurement solicitation and other vendors or leases considered;~~

~~5. A description of how the lease, contract, or agreement was negotiated; and,~~

~~6. Any conflicts of interest, and a description of how such conflicts have been resolved.~~

Any review done by the SCSB provides only non-binding advice as per statute. A review does not grant permission or prohibit a school from entering into any lease, contract, or agreement. This review does not serve as an assessment by the SCSB that the agreement is financially sound, legally binding or enforceable. Any decision by a school to enter into any lease, contract, or agreement is its own decision. The SCSB does not accept any responsibility or liability for any contract or agreement entered into by any charter school subsequent to SCSB review or any other such contracts or agreements not presented to the SCSB for review outside of the purview of U.C.A. §53G-5-404(9).