

October 11, 2024

Via U.S. Mail and Email - abdulrazzaqmursal@stepacademymn.org

Abdulrazzaq Mursal
Board Chair
STEP Academy
835 5th St East
St Paul, MN 55106

Dear Chair Mursal:

This letter is a notice of noncompliance with the terms of the 2024-2025 Authorizer Agreement (Charter Contract), provided to the school in accordance with Section 6 of the Memorandum of Agreement (MOA), which states:

If STEP fails to comply with the terms of this MOA or any other terms of the 2024-2025 Authorizer Agreement once it takes effect, with such compliance to be determined in the sole discretion of IQS, IQS shall provide written notice via U.S. Mail and email to the STEP Board Chair of such noncompliance.

While the STEP Academy Board has created and hired for the position of Chief Operating Officer (COO), the STEP Board has failed to take action to modify the current Superintendent's functions and contract, as required by Addendum 6: Corrective Actions, which states:

To the extent that STEP retains the current superintendent, the STEP Board shall take action to modify the current Superintendent position to **remove functions and responsibilities related to finance, operations, employment and human resources** that have been delegated to the new COO position **upon commencement of the employment of the COO**. STEP shall provide IQS with evidence of compliance with this requirement no later than five (5) business days following the STEP Board meeting at which such action is taken. **(emphasis added)**

Given the timeline of the employment of the new COO, the above corrective action to modify the current Superintendent's position to remove the functions identified above should have taken place in July, 2024. STEP was then to provide IQS with evidence of compliance with this requirement within five (5) business days following the STEP Board meeting at which such action is taken. To date, the only action taken by the STEP Board related to this requirement was to approve a modified organizational chart that contains only titles and names of employees and reflects the addition of the COO position. The Board has not modified the job description, function and responsibilities, or employment contract of

the Superintendent and evidence suggests that the Board has intentionally maintained the Superintendent's involvement in some of the functions for which he should no longer be engaged. Board meeting agendas and minutes show that the Board expects the Superintendent to provide staffing updates. Additionally, the Superintendent was centrally involved in recent employment reductions, unilaterally making decisions regarding employee terminations and conducting conversations during which the employment of staff members was terminated without the Board's authorization. Failure not only to take action to remove the specified duties from that of the Superintendent but to intentionally retain and rely upon such services from the Superintendent is a clear breach of the 2024-2025 Charter Contract and MOA.

The Memorandum of Agreement, Section 6, outlines the requirements for the school to respond to this Notice of Non-Compliance as follows:

STEP shall have ten (10) calendar days from the date of the written notice from IQS to correct the issues set out in the notice of non-compliance and provide evidence of said compliance. If sufficient evidence of compliance is not provided within the required timeframe, as determined in the sole discretion of IQS, the Parties agree that such inaction shall constitute good cause and grounds for immediate termination of the 2024-2025 Authorizer Agreement...

It is the STEP Board's responsibility to ensure compliance with contract terms, including corrective actions. Please provide evidence of the school's actions to address this issue of noncompliance within ten calendar days of the date of this letter. Failure to provide sufficient information in a timely manner may result in a determination by IQS to move forward with termination of the 2024-2025 Charter Contract.



Laurie Schroeder
Managing Partner of the Leadership Team



Heather Ross
Associate Partner of the Leadership Team

c: STEP Academy Board Members
 STEP School Administration
 STEP External Consultant
 IQS Board Chair
 IQS STEP Cadre Team