

1 **BEFORE THE ARIZONA STATE BOARD**

2 **FOR CHARTER SCHOOLS**

3 In the matter of:

No. 10F-FSRV-001-BCS

4 **GILA EDUCATIONAL GROUP** (a non-
5 profit corporation)
6 and

SETTLEMENT AGREEMENT

7 **GILA PREPARATORY ACADEMY**
8 **MIDDLE SCHOOL** and **GILA**
9 **PREPARATORY ACADEMY HIGH**
10 **SCHOOL** (charter schools).

11 This Agreement is entered into between Gila Educational Group, a non-profit corporation
12 operating Gila Preparatory Academy Middle School and Gila Preparatory Academy High School,
13 charter schools, and the Arizona State Board for Charter Schools, by and through its authorized
14 representatives, and provides the following terms and agreement:

15 **FINDINGS OF FACT**

16 1. Gila Preparatory Academy Middle School (hereafter, the "Middle School") and Gila
17 Preparatory Academy High School (hereafter, the "High School") are charter schools established
18 pursuant to Arizona Revised Statutes (hereafter, "A.R.S.") § 15-181 *et seq.* and sponsored by the
19 Arizona State Board for Charter Schools (hereafter, the "Board").

20 2. The Middle School and the High School operate pursuant to a charter contract
21 (hereafter, "charter") between Gila Educational Group, a non-profit corporation organized under
22 the laws of the State of Arizona, and the Board.

23 3. The Middle School is currently authorized to serve students in grades seven and
24 eight. The High School is currently authorized to serve students in grades nine through twelve.

25 4. Under A.R.S. § 15-241, the Arizona Department of Education (hereafter, "ADE")
26 compiles an achievement profile for each public school. The achievement profile is used to

1 determine a school classification that designates each school as one of the following: (1) an
2 excelling school; (2) a highly performing school; (3) a performing school; (4) an underperforming
3 school; or (5) a school failing to meet academic standards. A.R.S. § 15-241(H).

4 5. In the Fall of 2007, ADE designated the Middle School as a first year
5 underperforming school under A.R.S. § 15-241. In the Fall of 2008, ADE designated the Middle
6 School as a second year underperforming school under A.R.S. § 15-241. In the Fall of 2009, the
7 Middle School remained designated as an underperforming school for a third consecutive year and
8 was subsequently classified as failing to meet academic standards. A.R.S. § 15-241(O).

9 6. On March 8, 2010, the Board referred the matter to hearing for consideration of
10 revocation of the charter of Gila Educational Group due to the designation of the Middle School as
11 a school failing to meet academic standards. The hearing was held on May 25, 2010 and has a
12 continuing hearing date of July 16, 2010.

13 7. On June 2, 2010, ADE granted the application of Gila Educational Group for
14 alternative school status for the Middle School and the High School under A.R.S. § 15-241(J)¹.

15 CONCLUSIONS OF LAW

16 8. A.R.S. § 15-241(U) provides as follows:

17 If a charter school is designated as a school failing to meet
18 academic standards, the department of education shall
19 immediately notify the charter school's sponsor. The charter
20 school's sponsor shall either take action to restore the charter
21 school to acceptable performance or revoke the school's charter.

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25 ¹ "Alternative schools" are defined as schools that meet the Arizona State Board of Education-approved
26 definition as schools whose sole and clearly-stated mission is to serve specific populations of at-risk
students. Alternative school status is granted by application to ADE. A.R.S. §15-241 makes an
allowance for a "parallel" evaluation method for alternative schools.

1 2013. The Board shall identify the Measure, Metric, Target and Strategies for the PMP. Gila
2 Educational Group shall identify the Action Steps, Timeline, Responsible Party, Evidence of
3 Meeting Action Steps, and Budget of the PMP. The Timeline(s) identified by Gila Educational
4 Group in the PMP must correspond with the Quarterly Report submission dates identified in
5 paragraph 15. The PMP to be submitted to the Board by August 13, 2010 shall be incorporated
6 into this Agreement as Attachments A and B.

7 15. Throughout the duration of the PMP (August 13, 2010 through June 30, 2013) and
8 within 10 days of the end of every calendar quarter (October 1, January 1, April 1, June 1), Gila
9 Educational Group shall complete and submit a Quarterly Report to the Board. Each Quarterly
10 Report shall:

- 11 • Detail Gila Educational Group's progress on the implementation of the Action Steps
12 identified in the PMP within the Timelines(s) identified;
- 13 • Provide evidence that the High School is progressing toward the prescribed Targets,
14 which includes a data comparison in chart and graph format depicting the High
15 School's academic student performance; and
- 16 • Provide documentation of the High School's budget expenditures for the Action Steps
17 implemented for the quarter.
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19 16. Throughout the duration of the PMP (August 13, 2010 through June 30, 2013) and
20 within 10 days of the end of the quarter (October 1, January 1, April 1, June 1), Gila Educational
21 Group shall provide a current list of the High School's instructional staff that identifies each staff's
22 content area assignments and highly qualified status that evidence that the High School's teachers
23 of core academic subjects (English, reading or language arts, mathematics, science, foreign
24 languages, civics and government, economics, arts, history, and geography) are "highly qualified"
25 under the No Child Left Behind Act of 2001 (20 U.S.C. § 6301 *et seq.*).
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1 17. By June 30, 2013 and for every year thereafter for the duration of the charter, the
2 High School's average percent proficient in reading and mathematics AIMS scores shall meet or
3 exceed the State average percent proficient in reading and math on the state assessment.

4 18. The Board and Gila Educational Group agree that if the High School fails to comply
5 with the terms and conditions of this Agreement, the Board may, on no less than thirty (30)
6 calendar days notice, hold a hearing at which time the Board will receive information to determine
7 whether evidence exists that Gila Educational Group has failed to comply with the terms and
8 conditions of this Agreement, which includes the terms of the PMP to be submitted to the Board by
9 August 13, 2010 and incorporated into this Agreement as Attachments A and B.

10 19. After receiving and reviewing evidence submitted during the hearing, if the Board
11 determines that a material breach of any of the terms and conditions of this Agreement has
12 occurred, the Board may revoke Gila Educational Group's charter to operate the High School and
13 any and all sites operated under the charter and terminate its charter contract for breach of this
14 Agreement. The Board will conduct the hearing and issue orders pursuant to the Uniform
15 Administrative Hearing Procedures, A.R.S. Title 41, Chapter 6, Article 10.

16 20. By entering into this Agreement, Gila Educational Group agrees to the factual
17 findings, conclusions of law, and settlement terms set forth in this Agreement and understands that
18 it cannot contest any of these findings, conclusions or settlement terms in the future.

19 21. This Agreement does not limit other actions the Board may take under the law if it
20 determines that Gila Educational Group is not in compliance with its charter or with state or federal
21 law.

22 22. This Agreement is not binding on either party until both the Board and Gila
23 Educational Group's Governing Board accept it by the number of votes necessary to pass a
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1 measure at a public meeting. This Agreement is effective immediately upon its approval and upon
2 execution by the authorized representatives of Gila Educational Group and the Board.

3 23. If either party rejects this Agreement or any part of it, then this Agreement is null
4 and void and not binding on the parties and the Board is free to proceed with the charter revocation
5 hearing.

6 24. Gila Educational Group has consulted with an attorney prior to entering into this
7 Agreement.

8 25. Each party is responsible for its own attorneys' fees and costs in this matter.

9 Signed this _____ day of July, 2010 for
10 ARIZONA STATE BOARD FOR CHARTER SCHOOLS

11
12 _____
13 By: Norm Butler
14 President
15 Arizona State Board for Charter Schools

16 Signed this _____ day of July, 2010 for
17 GILA EDUCATIONAL GROUP, GILA PREPARATORY ACADEMY MIDDLE SCHOOL and
18 GILA PREPARATORY ACADEMY HIGH SCHOOL

19 _____
20 By: Crae Wilson
21 Charter Representative
22 Gila Educational Group

23 COPIES mailed this _____ day of
24 July, 2010 to:

25 Deanna Rader
26 Fennemore Craig PC
3003 N Central Avenue, Suite 2600
Phoenix, AZ 85012-2913
Attorney for Gila Educational Group, Gila Preparatory Academy Middle School, and Gila
Preparatory Academy High School

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Gila Educational Group
Gila Preparatory Academy Middle School
Gila Preparatory Academy High School
Attention: Crae Wilson, Charter Representative
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Kim S. Anderson
Assistant Attorney General
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1275 West Washington
Phoenix, AZ 85007

By _____
869200