

AGENDA ITEM: Surrender Agreement

International Charter School of Arizona, Inc., the charter holder, operated Hillcrest Academy High serving approximately 60 students in grades five through twelve.

On January 14, 2015, the Charter Operator notified the Board that the School was ceasing its operations and provision of instruction to students effective January 16, 2015 due to low enrollment.

On February 9, 2016, the Board voted to issue a Notice of Intent to Revoke Charter for its breach of its charter contract and state laws for failure to provide a comprehensive program of instruction for the requisite number of days and/or hours during fiscal year 2015.

In lieu of revocation, the Board staff drafted a proposed Consent Agreement for the Surrender of the Charter. A copy of the proposed terms of the Agreement is included in Appendix A below.

On March 31, 2015, Board staff was provided a copy of board meeting minutes of International Charter School of Arizona, Inc.'s March 27, 2015 meeting that included the approval of the terms of the Surrender Agreement.

Board Options

The Board may adopt the terms of the Surrender Agreement. Staff recommends the following language for consideration: I move that the Board adopt the Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for International Charter School of Arizona, Inc.

Appendix A

CONSENT AGREEMENT FOR THE VOLUNTARY SURRENDER AND TERMINATION OF THE CHARTER CONTRACT

This Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Agreement”) is made by and between International Charter School of Arizona, Inc. (“Charter Operator”), a nonprofit corporation organized under the laws of the state of Arizona, and the Arizona State Board for Charter Schools (“Board”) collectively referred to herein as the “Parties.”

JURISDICTION

The Board is charged by Arizona Revised Statutes (“A.R.S.”) §§ 15-182(E)(1) and (2) and 15-183(R) with granting charter status to qualifying applicants for charter schools and exercising general supervision over the charter schools it sponsors. An approved plan to establish a charter school is effective for fifteen years. A.R.S. § 15-183(I). The charter may be amended at the request of the governing body of the charter school and on approval of the Board. A.R.S. § 15-183(G). The Board may revoke a charter of a school it sponsors at any time if the charter school breaches one or more provisions of its charter. A.R.S. § 15-183(I)(3).

RECITALS

1. The Charter Operator operates Hillcrest Academy High (“the School”), a charter school established pursuant to A.R.S. § 15-181 *et seq.*
2. The School operates pursuant to a charter contract (“Charter”) executed on May 4, 2011, between the Charter Operator and the Board.
3. Laurent Badoux is the Charter Representative and person authorized to execute

documents on behalf of the Charter Operator.

4. Pursuant to A.R.S. § 15-183 and the Charter, the Board sponsors the Charter Operator to operate one school site to serve students in grades five through twelve.

5. The Charter requires the Charter Operator to provide instruction for no less than 180 days and to meet the minimum number of hours of instruction required by statute.

6. A.R.S. § 15-901(A)(1)(b) requires that the Charter Operator provide an instructional program that meets for a minimum of 712 hours.

7. On January 14, 2015, the Charter Operator notified the Board that the School was ceasing its operations and provision of instruction to students effective January 16, 2015 due to low enrollment.

8. The Charter Operator failed to provide a program of instruction for the requisite number of days and hours of instruction.

9. The A-F letter grade designation for the School, as assigned by the Arizona Department of Education (“Department”), was an A in 2013 and a C in 2014.

10. The School’s Academic Performance Overall Rating, as identified in the School’s academic dashboard, for 2014 was Does Not Meet the Board’s academic performance standard, resulting in the Charter Operator not meeting the Board’s academic expectations.

AGREEMENT

The Parties agree as follows:

1. The Recitals above provide a basis to revoke the Charter under A.R.S. § 15-183(I)(3) but the Parties have agreed to the Charter Operator’s surrender of its Charter.

2. The Charter Operator voluntarily tenders and surrenders the Charter to its sponsor,

the Board, with the intent to voluntarily terminate its Charter effective February 27, 2015, for the purpose of further performance.

3. The Board accepts the surrender of the Charter for the operation of the School.

4. The Charter between the Charter Operator and the Board for the operation of the School is terminated effective February 27, 2015, for the purpose of further performance.

5. This Agreement is not binding on the Parties until both the Board and the Charter Operator's governing board accept it by the number of votes necessary to pass a measure at a public meeting. This Agreement is effective immediately upon its approval and execution by the authorized representatives of the Charter Operator and the Board.

6. If the Board rejects this Agreement or any part of it, then this Agreement is null and void, and not binding on the Charter Operator or the Board.

7. By February 27, 2015, the Charter Operator shall provide a copy of the agreement between the Charter Operator and Hillcrest Academy, Inc. that identifies Hillcrest Academy, Inc. as the custodian of all student records of students who attended the School during its operation by the Charter Operator. The agreement shall include the physical address of the location of the records and a statement of assurance that the records will be maintained in accordance with the Student Records Retention Schedule provided by the Arizona Library and Archives division of the Arizona Secretary of State's Office.

8. The Charter Operator shall submit all requisite student level data for its receipt of state equalization funding for the 2014-2015 school year to the Department through the Student Accountability Information System ("SAIS"). The withdrawal date for each student enrolled through January 16, 2015, shall be January 16, 2015.

9. The Charter Operator is entitled to receive state equalization assistance funds for the

2014-2015 school year to which it is entitled under the school funding formula provided in Arizona law, but no more.

10. The Charter Operator shall refund any overpayment of state equalization assistance funds in the amount determined by the Department in the manner directed by the Department.

11. The Charter Operator is entitled to receive Classroom Site Funds for the 2014-2015 school year to which it is entitled under the provisions of Arizona law, but no more. The Charter Operator shall expend the Classroom Site Funds in a manner consistent with its intent as specified in A.R.S. § 15-977.

12. The Charter Operator shall refund any overpayment of Classroom Site Funds in the amount determined by the Department in the manner directed by the Department.

13. The Charter Operator shall submit any outstanding grant reports and shall refund any outstanding grant monies or allocation of education funds in the amount determined by the Department in the manner directed by the Department.

14. Assets purchased with federal grant funds shall be maintained in accordance with U.S. Education Department General Administrative Regulations.

15. The Charter Operator shall expend the Instructional Improvement Funds for the 2014-2015 school year to which it is entitled under the provisions of Arizona law, but no more. The Charter Operator shall expend the Instructional Improvement Funds in a manner consistent with its intent as specified in A.R.S. § 15-979.

16. Nothing in this Agreement is intended to prevent the Charter Operator from exercising its rights under statutes or regulations to contest amounts determined by the Department to be owed by the Charter Operator.

17. The Charter Operator understands that it has the legal right to consult with an attorney

prior to entering into this Agreement.

18. The Parties shall be responsible for their own attorneys' fees and costs in this matter.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

By: Janna Day
President, Arizona State Board for Charter Schools
Date: _____

INTERNATIONAL CHARTER SCHOOL OF ARIZONA, INC.

By: Laurent Badoux
Charter Representative, International Charter School of Arizona, Inc.
Date: _____

COPY mailed this
_____ day of _____, 2015 to:

International Charter School of Arizona, Inc.
Attention: Laurent Badoux, Charter Representative
1973 E Maryland
Phoenix, AZ 85016

By _____