
AGENDA ITEM: Surrender Agreement – Sonoran Desert School

Issue

Sonoran Desert School has submitted a Voluntary Surrender and Charter Termination Agreement (“Surrender Agreement”).

Background

Sonoran Desert School operates a school with the same name serving grades 5 through 12. On November 5, 2018, Sonoran Desert School notified the Board of its intent to close the school on December 20, 2018 due to low enrollment. For fiscal year 2019, the school reported an estimated count of 21 students.

The Arizona Department of Education (“Department”) determined Sonoran Desert School had been overpaid \$27,891.97. Sonoran Desert School repaid the Department on January 9, 2019 thus complying with the Surrender Agreement’s requirement.

On December 26, 2018, the Board became the custodian of the school’s student records.

A copy of the proposed terms of the Surrender Agreement is included in Appendix A.

Appendix A

VOLUNTARY SURRENDER AND CHARTER TERMINATION AGREEMENT

This Voluntary Surrender and Charter Termination Agreement (“Agreement”) is made by and between Sonoran Desert School (“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”.

RECITALS

1. The Charter Operator operates Sonoran Desert School (“the School”), a charter school established pursuant to A.R.S. § 15-181 *et seq.*
2. The School operates pursuant to a renewal charter contract (“Charter”) executed on July 3, 2013 between the Charter Operator and the Board.
3. Patricia Dalman is the Charter Representative and person authorized to execute documents on behalf of the Charter Operator.
4. On November 5, 2018, the Charter Operator notified the Board of its intent to close its School on December 20, 2018 due to low enrollment and to surrender its Charter.
5. As of November 1, 2018, the Charter Operator had received state equalization payments totaling \$72,205.19 and was scheduled to receive a payment on December 1, 2018.
6. For the 2018-2019 school year, the Charter Operator will have provided 73 days of instruction.
7. After the Charter Operator has submitted all requisite student level data to the Arizona Department of Education (“Department”) through the Arizona Education Data Standards (“AzEDS”) system, the Department will determine whether the Charter Operator has been overpaid state equalization assistance for the 2018-2019 school year.

8. If the Department determines the Charter Operator has been overpaid, the Charter Operator agrees to repay the amount owed to the Department. Failure of the Charter Operator to repay the full amount identified by the Department within three days of receiving notice from the Department or failure of the Charter Operator to fully resolve the overpayment by January 11, 2019 shall result in the Charter Operator being placed on a subsequent Board agenda for consideration of a notice of intent to revoke the Charter Operator's Charter.

AGREEMENT

The Parties agree as follows:

1. The Charter Operator voluntarily tenders and surrenders the Charter to its sponsor, the Board, with the intent to voluntarily terminate its Charter effective 11:59 p.m. on January 11, 2019 for the purpose of further performance, conditional upon the Charter Operator meeting the terms of paragraph 8 above.

2. Upon the Charter Operator meeting the terms of paragraph 8 above, the Board accepts the surrender of the Charter for the operation of the School.

3. Upon the Charter Operator meeting the terms of paragraph 8 above, the Charter between the Charter Operator and the Board for the operation of the School is terminated effective 11:59 p.m. on January 11, 2019 for the purpose of further performance.

4. 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. Upon the Charter Operator meeting the terms of paragraph 8 above, this Agreement is effective as of 11:59 p.m. on January 11, 2019 upon its approval and execution by the authorized representatives of the Charter Operator and the Board.

5. 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.

6. No later than December 20, 2018, the Charter Operator shall deliver a complete copy of each student's educational record to the student's parent or legal guardian for each student enrolled in the School in the 2018-2019 school year.

7. The Board and the Charter Operator agree that the Board shall become the custodian of the School's student records. No later than December 28, 2018, the Charter Operator shall deliver to the Board the School's student records organized alphabetically in lidded banker boxes with an inventory list of students' names and grade levels and maintained in accordance with the Student Records Retention Schedule provided by the Arizona State Library, Archives and Public Records division of the Arizona Secretary of State's Office.

8. The Charter Operator will submit all requisite student level data for its receipt of state equalization funding for the 2018-2019 school year to the Department through the AzEDS system in the manner directed by the Department.

9. The Charter Operator is permitted to receive Classroom Site Funds for the 2018-2019 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 the intent as specified in A.R.S. § 15-977.

10. 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.

11. 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.

12. The Charter Operator authorizes the Department to update the School's student level

data in the AzEDS system for the purposes of facilitating student enrollment upon closure of the School.

13. 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.


14. The Charter Operator understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

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

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

By: Kathy Senseman
President, Arizona State Board for Charter Schools
Date: January 11, 2019

SONORAN DESERT SCHOOL



By: Patricia Dalman
Charter Representative, Sonoran Desert School
Date: 11/19/18

COPY mailed this
__ 11 __ day of Nov., 2018 to:

Patricia Dalman
Sonoran Desert School
pdalman@sdschool.org

By 