
AGENDA ITEM: Surrender Agreement – Employ-Ability Unlimited, Inc.

Issue

Employ-Ability Unlimited, Inc. (“Charter Holder”) has submitted a Voluntary Surrender and Charter Termination Agreement (“Surrender Agreement”).

Background

The Charter Holder operates Copper Canyon Academy, serving grades K through 8, and Desert Pointe Academy, serving grades 9 through 12. The charter representative notified Board staff that the Charter Holder has made a strategic business decision to no longer operate charter schools. The Charter Holder’s fiscal year 2018 average daily membership is 188.192.

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 Employ-Ability Unlimited, Inc. (“Charter Operator”), a nonprofit corporation organized under the laws of the state of Ohio, and the Arizona State Board for Charter Schools (“Board”), collectively referred to herein as the “Parties”.

RECITALS

1. The Charter Operator operates Copper Canyon Academy and Desert Point Academy (collectively, “the Schools”), charter schools established pursuant to A.R.S. § 15-181 *et seq.*
2. The Schools operate pursuant to a renewal charter contract (“Charter”) executed between the Charter Operator and the Board effective July 1, 2013.
3. Edward Douglass is the Charter Representative and person authorized to execute documents on behalf of the Charter Operator.
4. The Charter Operator has made a strategic business decision to no longer operate charter schools. The Schools are the only charter schools remaining within the Charter Operator. According to the Charter Operator, “This decision does not reflect on the exceptional work our faculty and staff members have done in educating our students.” As part of this decision, the Charter Operator has entered into a letter of intent to sell the Schools’ property and facilities to an existing Arizona charter school operator. According to the Charter Operator, “Following completion of the sale, this operator intends to invest in significant enhancements to the facilities and re-open the school for the 2019-2020 school year.”

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 June 30, 2018 for the purpose of further performance.
2. The Board accepts the surrender of the Charter for the operation of the Schools.
3. The Charter between the Charter Operator and the Board for the operation of the Schools is terminated effective 11:59 p.m. on June 30, 2018 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. This Agreement is effective as of 11:59 p.m. on June 30, 2018 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 June 15, 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 Schools in the 2017-2018 school year.
7. The Board and the Charter Operator agree that the Board shall become the custodian of the Schools' student records. No later than June 15, 2018 the Charter Operator shall deliver to the Board the Schools' student records organized either alphabetically or by school year in lidded boxes 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 and shall also provide a complete list of the students whose records have been delivered to the Board.

8. The Charter Operator will submit all requisite student level data for its receipt of state equalization funding for the 2017-2018 school year to the Arizona Department of Education (“Department”) through the Arizona Education Data Standards (“AzEDS”) system in the manner directed by the Department.

9. The Charter Operator is permitted to receive state equalization assistance funds for the 2017-2018 school year to which it is entitled under the school funding formula provided in Arizona law.

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 permitted to receive Classroom Site Funds for the 2017-2018 school year to which it is entitled under the provisions of Arizona law. The Charter Operator shall expend the Classroom Site Funds in a manner consistent with the 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. The Charter Operator is permitted to receive Instructional Improvement Funds for the 2017-2018 school year to which it is entitled under the provisions of Arizona law. The Charter Operator shall expend the Instructional Improvement Funds in a manner consistent with the intent as specified in A.R.S. § 15-979.

15. 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.

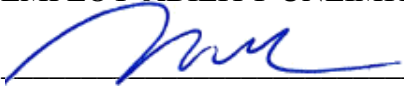
16. The Charter Operator understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

17. 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: _____

EMPLOY-ABILITY UNLIMITED, INC.



By: Edward Douglass
Charter Representative, Employ-Ability Unlimited, Inc.
Date: May 2, 2018

COPY mailed this
_____ day of _____, 2018 to:

Employ-Ability Unlimited, Inc.
Attention: Edward Douglass, Charter Representative
7785 West Peoria Avenue
Peoria, AZ 85345
By _____