AGENDA ITEM: Compliance Matters – New Destiny Leadership Charter School

Issue
New Destiny Leadership Charter School did not comply with specific requirements made at the November 26, 2012 Board meeting and did not open its school for the 2012-2013 school year.

Background
New Destiny Leadership Charter School, a non-profit corporation, entered into a charter contract with the Board on April 1, 2009 to operate one school site – New Destiny Leadership Charter School. The charter contract was approved to serve grades K-8. A request from the charter holder to suspend operation of the school due to lack of a facility was submitted on August 8, 2012. The Board voted to deny the request at its November 26, 2012 meeting and directed staff to work with the charter holder on the terms of a surrender agreement to be considered by the Board at its next regularly scheduled meeting. A Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for New Destiny Leadership Charter School was provided to the charter holder on January 2, 2013. At the time of this report, the charter holder has not returned the signed agreement.

Communication between staff and the charter holder since the denial of the temporary suspension is summarized below.

- **January 2, 2013**
  - The charter holder was provided a Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for New Destiny Leadership Charter School by email with a request to provide Board staff with minutes of a meeting of the charter holder that approved the terms of the agreement and a signed original of the agreement.
- **January 23, 2013**
  - The charter holder was contacted by email, asking if the charter holder was considering the terms of the agreement that had been provided in the January 2 email.
- **January 29, 2013**
  - The charter holder was contacted by phone and left a message to contact Board staff regarding the consent agreement.
- **February 4, 2012**
  - The charter holder left a voice mail that stated the school is working with its legal counsel.

Compliance
At the time of this report, New Destiny Leadership Charter School had not timely submitted the FY2012 annual audit and the FY2012 annual financial report.

Board Options

Option 1: The Board may vote to issue a Notice of Intent to Revoke the charter contract of New Destiny Leadership Charter School. Staff recommends the following motion language: I move to issue a Notice of Intent to Revoke the charter contract of New Destiny Leadership Charter School for failing to comply with A.R.S. § 15-183(E)(3) and its charter contract when it failed to provide educational services to students, and for failing to comply with A.R.S. § 15-183(E)(6) and its charter contract when it failed to timely submit its FY2012 annual financial audit and FY2012 annual financial report.

Option 2: The Board may determine that it is appropriate to delay the issuance of a Notice of Intent to Revoke the charter contract of New Destiny Leadership Charter School until such time as the charter holder responds to the Board's November 26, 2012 action. (No action/motion necessary)