

**AGENDA ITEM:** Surrender Agreement – Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America (Entity ID 90326)

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**Issue**

Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America (Entity ID 90326) has submitted a Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Surrender Agreement”).

**Background**

Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America (Entity ID 90326) operates Ombudsman – Charter East, Ombudsman – Charter East II, and Ombudsman – Charter Valencia serving grades 9 through 12. Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America also operates schools under a second charter contract (Entity ID 4323) that is not affected by this agreement.

On February 4, 2016, the Board approved the transfer of the operation of Ombudsman – Charter East, Ombudsman – Charter East II, and Ombudsman – Charter Valencia from the charter contract assigned Entity ID 90326 to the charter contract assigned Entity ID 4323 effective July 1, 2016.

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

**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 Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America (Entity ID 90326).

## **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 Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America (aka Ombudsman Educational Services, Ltd.) ("Charter Operator"), a for-profit corporation authorized to transact business in the state of Arizona and operating Ombudsman – Charter East, Ombudsman – Charter East II, and Ombudsman – Charter Valencia, charter schools, 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). The charter may be renewed for successive period of twenty years. A.R.S. § 15-183(J).

### **RECITALS**

1. The Charter Operator operates Ombudsman – Charter East, Ombudsman – Charter East II, and Ombudsman – Charter Valencia (collectively, "the Schools"), charter schools established pursuant to A.R.S. § 15-181 *et seq.*
2. The Charter Operator also operates schools under a second charter contract

(CTDS No. 07-87-67-000)<sup>1</sup> that is not affected by this Agreement.

3. The Schools operate pursuant to a renewal charter contract (CTDS No. 07-85-63-000) ("Charter") executed on June 3, 2011 between the Charter Operator and the Board.

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

5. Allison O'Neill is the Charter Representative and person authorized to execute documents on behalf of the Charter Operator.

6. On February 4, 2016, the Board approved the transfer of the operation of Ombudsman -- Charter East, Ombudsman -- Charter East II, and Ombudsman -- Charter Valencia from the Charter to charter contract CTDS No. 07-87-67-000 effective July 1, 2016.

#### **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 June 30, 2016 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 June 30, 2016 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 immediately upon its approval and execution by the authorized representatives of the Charter Operator and the Board.

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<sup>1</sup> The "CTDS No." is the nine digit number used by the Arizona Department of Education to identify a charter contract.



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. By June 30, 2016, the Charter Operator shall identify and notify the Board of the custodian of all student records of the Schools. The notification shall include the physical address of the location of the records. All student records shall 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.
7. The Charter Operator will submit all requisite student level data for its receipt of state equalization funding for the 2015-2016 school year to the Arizona Department of Education ("Department") through the Student Accountability Information System ("SAIS") in the manner directed by the Department.
8. The Charter Operator is entitled to receive state equalization assistance funds for the 2015-2016 school year to which it is entitled under the school funding formula provided in Arizona law, but no more.
9. 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.
10. The Charter Operator is entitled to receive Classroom Site Funds for the 2015-2016 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.
11. 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.
12. 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.

13. The Charter Operator is entitled to receive Instructional Improvement Funds for the 2015-2016 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 the intent as specified in A.R.S. § 15-979.

14. 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.

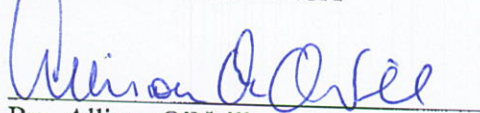
15. The Charter Operator understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

16. 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: \_\_\_\_\_

OMBUDSMAN EDUCATIONAL SERVICES, LTD., A SUBSIDIARY OF EDUCATIONAL SERVICES OF AMERICA



By: Allison O'Neill  
Charter Representative, Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America  
Date: 6/24/16

COPY mailed this



\_\_\_\_\_ day of \_\_\_\_\_, 2016 to:

Ombudsman Educational Services, Ltd., a subsidiary of Educational Services of America  
Attention: Allison O'Neill, Charter Representative  
1585 North Milwaukee Avenue, Suite 2  
Libertyville, IL 600448

By \_\_\_\_\_