
AGENDA ITEM: Surrender Agreement – Omega Schools, Inc.**Issue**

Omega Schools, Inc. has submitted a Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Surrender Agreement”).

Background

On December 9, 2013, the Board voted to issue a Notice of Intent to Revoke Omega’s charter to operate the Schools on the basis of: C. Doby’s 2012-2013 achievement profile designation as an F school; Omega’s failure to meet or demonstrate sufficient progress toward the Board’s academic expectations as set forth in the Board’s Academic Performance Framework; its failure to meet the Board’s financial performance expectations, reflecting a lack of financial capacity to support improved performance; and Omega’s violation of state law and its charter when it failed to timely submit its fiscal year 2013 annual financial statement and compliance audit.

A hearing on this matter is set for March 11, 12, and 13, 2014 before Administrative Law Judge Tully at the Office of Administrative Hearings.

Omega Schools, Inc. scheduled a meeting of its governing board for March 4, 2014 to consider and adopt the terms of the Surrender Agreement proposed by Board staff.

A copy of the signed Surrender Agreement and documentation of the approval of the terms of the agreement have been provided.

Board Options

Option 1: The Board may adopt the terms of the Surrender Agreement and vacate the revocation hearing. 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 Omega Schools, Inc. as presented and vacate the revocation hearing as scheduled.

Option 2: The Board may take no action and proceed with the revocation hearing as scheduled.

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 OMEGA SCHOOLS, INC. ("Charter Operator"), a nonprofit corporation organized under the laws of the state of Arizona and operating C. DOBY PREPARATORY and OASIS HIGH SCHOOL, 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. The Arizona Department of Education ("Department") compiles an annual achievement profile using a letter grade system for each charter school and school district. A.R.S. §15-241(A) and (H). If a charter school sponsored by the Board is assigned a letter grade of F, the Board must take action to restore the charter school to acceptable performance or revoke the charter school's charter. A.R.S. §15-241(U). In implementing its oversight and administrative responsibility for the charter schools that it sponsors, the Board grounds its actions, in part, in evidence of the charter operator's performance in accordance with the Board's Academic Performance Framework. A.R.S. §15-183(R). 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, if the Board determines that the charter operator has failed to meet or make sufficient progress toward the academic performance expectations set forth in the Board's Academic Performance Framework, or if the charter operator fails to comply

with Title 15, Chapter 1, Article 8 or any provision of law from which the charter school is not exempt. A.R.S. § 15-183(I)(3).

RECITALS

1. The Charter Operator operates C. Doby Preparatory ("C. Doby") and Oasis High School ("Oasis") [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" or "contract") that commenced July 1, 2012 between the Charter Operator and the Board.

3. Patricia Keech is the Charter Representative and person authorized to act on behalf of Omega.

4. Dr. Patricia Bassett is the President of Omega Schools, Inc., the holder of the charter.

5. C. Doby began operating in the 2003-2004 school year and is currently authorized to serve students in grades K-8. Oasis began operating in the 1997-1998 school year and is currently authorized to serve students in grades 9-12.

6. In August 2013, the Department assigned C. Doby an achievement profile letter grade of F, demonstrating a failing level of performance.

7. In August 2013, the Department assigned Oasis an achievement profile letter grade of D, demonstrating a below average level of performance.

8. C. Doby failed to meet or make sufficient progress toward the academic performance expectations set forth in the Board's Academic Performance Framework.

9. The Charter Operator also failed to comply with state law and its charter when it failed to timely submit its fiscal year 2013 annual financial statement and compliance audit, which was due to the Board by November 15, 2013.

10. On December 9, 2013, the Board voted to issue a Notice of Intent to Revoke Omega's charter to operate the Schools.

AGREEMENT

The Parties agree as follows:

1. That because of the Schools' academic performance and the Board's decision to issue a Notice of Intent to Revoke Omega's charter, the Charter Operator is subject to the revocation and termination of its charter.
2. That A.R.S. §§ 15-183(Q) and 41-1092.07(F)(2) provide that informal disposition of this matter may be made by stipulation, agreed settlement, consent order or default.
3. In consideration of the Parties foregoing their option to proceed with the charter revocation proceedings and hearing, it is in the best interest of the Parties to mutually resolve this matter.
4. The Charter Operator agrees to voluntarily tender and surrender its charter to its sponsor, the Board, with the intent to voluntarily terminate its charter effective June 30, 2014 for the purpose of further performance.
5. The Board accepts the surrender of the charter for the operation of the Schools.
6. The charter between the Charter Operator and the Board for the operation of the Schools is terminated effective June 30, 2014 for the purpose of further performance.
7. 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.

8. 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.

9. The Charter Operator shall mail 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 2013-2014 school year.

10. The Charter Operator shall notify the Board of the location of the Schools' student records no later than May 30, 2014.

11. The Charter Operator will submit all requisite student level data for its receipt of state equalization funding for the 2013-2014 school year to the Department through the Student Accountability Information System ("SAIS").

12. The Charter Operator is entitled to receive all state equalization assistance funds for the 2013-2014 school year to which it is entitled under the school funding formula provided in Arizona law, including any reimbursements for its operations to June 30, 2014 for which the Department determines reimbursement is appropriate, but no more.

13. 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.

14. The Charter Operator is entitled to receive all Classroom Site Funds for the 2013-2014 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.

15. 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.

16. 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.

17. The Charter Operator shall expend the Instructional Improvement Funds for the 2013-2014 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.


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

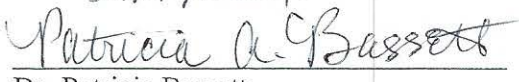
19. The Parties shall be responsible for their own attorneys' fees and costs in this matter.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

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

OMEGA SCHOOLS, INC.


By: Patricia Keech
Charter Representative, Omega Schools, Inc.
Date: 2/4/2014


Dr. Patricia Bassett
President, Omega Schools, Inc.
Date: 2/4/14

COPY mailed this
5 day of March, 2014 to:

OMEGA SCHOOLS, INC.
Attention: Patricia Keech, Charter Representative
8632 W. Northern Ave.
Glendale, AZ 85305

OMEGA SCHOOLS, INC.
Attention: Dr. Patricia Bassett, President
Board of Directors, Omega Schools, Inc.
8632 W. Northern Ave.
Glendale, AZ 85305

By _____
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CERTIFICATE OF CORPORATE RESOLUTION

WHEREAS, Omega Academy (the "Charter School") has been operating under a charter issued by the Arizona State Board for Charter Schools; and

WHEREAS, the Charter School, on December 9, 2013, received a decision from the Arizona State Board for Charter Schools that it had voted to issue a Letter of Intent to Revoke the charter contract of Omega Academy; and

WHEREAS, the Arizona State Board for Charter Schools has proposed that the Charter School agree to voluntarily tender and surrender its charter to its sponsor, the State Board, with the intent to voluntarily terminate its charter effective June 30, 2014 (the "Agreement"); and

WHEREAS, the Charter School Board has received and reviewed the Agreement; and

WHEREAS, the Charter School Board must, as part of the Agreement with the Arizona State Board for Charter Schools, accept the surrender of the charter for the operation of the Charter School, and

WHEREAS, the Charter School's governing board must accept the proposed Agreement by the number of votes necessary to pass a measure at a public meeting; and

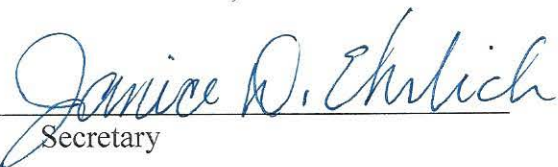
NOW THEREFORE, BE IT RESOLVED THAT:

1. The Charter School acknowledges that the Arizona State Board for Charter Schools issued a Letter of Intent to Revoke the charter contract of Omega Academy.
2. The Charter School and each member of the Governing Board of the Charter School have reviewed, understand and have approved the terms and conditions of the Agreement.
3. The Charter School agrees to voluntarily surrender and terminate the charter contract between Omega Schools, Inc. and the Arizona State Board for Charter Schools in accordance with the terms and conditions set forth in the Agreement.
4. The Charter School authorizes Patricia Keech, as the Omega Academy Charter Representative (Patricia Keech), and Patricia Bassett, as the President of Omega Academy, to sign the Agreement.

This resolution was passed unanimously on the 4TH day of March, 2014.

OMEGA ACADEMY, INC.

BY:


Secretary

OMEGA SCHOOLS d.b.a Omega Academy, Inc.

Board Minutes

March 4, 2014

7:00 p.m. - 9:00 p.m.

Telephonic

Meeting Called to Order by Dr. Bassett 7:00 pm

ROLL CALL

- Dr. McJunkin
- Dr. Jones
- Dr. Bassett
- Janice Ehrlich

REPORTS

PERSON RESPONSIBLE

No Reports

ACTION ITEMS

- Dr. McJunkin motioned to accept Resolution to Surrender Charter June 30, 2014 (Second by Dr. Jones)
YES (4) NO (0) ABSTAIN (0)

ADJOURNMENT

- Janice Ehrlich motioned to Adjourn (Second by McJunkin)
YES (4) NO (0) ABSTAIN (0)