

**AGENDA ITEM:** Surrender Agreement – Presidio School Inc. for the operation of Presidio De Las Sierras

**Issue**

Presidio School Inc. has submitted a Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Surrender Agreement”) for the operation of Presidio De Las Sierras.

**Background**

On February 13, 2014, the Charter Representative of Presidio School Inc. notified the Board that, due to low enrollment, the School will cease its operations and provision of instruction to students effective May 22, 2014.

A signed copy of the agreement was received on March 13, 2014 for the closure of the school on May 22<sup>nd</sup> and the surrender of the charter effective June 30, 2014.

**Suggested Motion**

I move that the Board adopt the Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for Presidio School Inc. for the operation of Presidio De Las Sierras as presented.

## **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 Presidio School Inc. (“Charter Operator“), a nonprofit corporation organized under the laws of the state of Arizona and operating Presidio De Las Sierras, a charter school, 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(I)(1).

### **RECITALS**

1. The Charter Operator operates Presidio De Las Sierras (“the School”), a charter school established pursuant to A.R.S. § 15-181 *et seq.*
2. The School operates pursuant to a charter contract (“Charter”) executed on June 29, 2011 between the Charter Operator and the Board.
3. Pursuant to A.R.S. § 15-183 and the Charter, the Board sponsors the Charter Operator to operate one school site to serve students in grades Kindergarten through Five.

4. Thomas Drexel and Terry Garza are the Charter Representatives and persons authorized to execute documents on behalf of the Charter Operator.

5. On February 13 2014, the Charter Operator notified the Board that, due to low enrollment, the School will cease its operations and provision of instruction to students effective May 22, 2014.

### **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, 2014 for the purpose of further performance.

2. The Board accepts the surrender of the Charter for the operation of the School.

3. The Charter between the Charter Operator and the Board for the operation of the School is terminated effective June 30, 2014 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.

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. The Charter Operator shall provide 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 2013-2014 school year.

7. The Charter Operator shall remain the custodian of the School's student records.

8. The Charter Operator shall submit all requisite student level data for its receipt of state equalization funding for the 2013-2014 school year to the Arizona Department of Education through the Student Accountability Information System (“SAIS”) by May 30, 2014.

9. The Charter Operator is entitled to receive state equalization assistance funds for the 2013-2014 school year to which it is entitled under the school funding formula provided in Arizona law, but no more.

10. The Charter Operator shall refund any overpayment of state equalization assistance funds in the amount determined by the Arizona Department of Education (“Department”) in the manner directed by the Department.

11. The Charter Operator is entitled to receive 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.

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 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.

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.

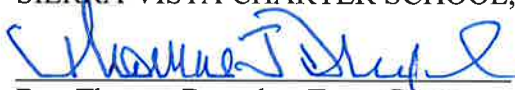
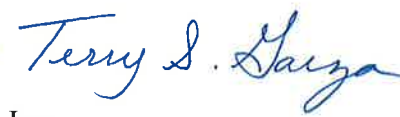
16. The Charter Operator understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

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

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

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

PRESIDIO DE LAS SIERRAS  
SIERRA VISTA CHARTER SCHOOL, ~~XXX~~

   
By: Thomas Drexel or Terry Garza  
Charter Representatives, Presidio School, Inc.  
Date: March 10, 2014

COPY mailed this  
\_\_\_\_\_ day of \_\_\_\_\_, 2014 to:

Presidio School, Inc.  
Attention: Presidio School, Inc., Charter Representatives  
1695 East Fort Lowell Road  
Tucson, AZ 85719

By \_\_\_\_\_

**Notice of Public Meeting  
Presidio School Board of Directors**

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Presidio School Board of Directors and to the general public that a meeting, open to the public, will be held as specified below.

DATED AND POSTED THIS 12<sup>TH</sup> DAY OF FEBRUARY, 2014

Board of Presidio School

By Terry S. Garza, Terry S. Garza  
Secretary, Board of Directors of Presidio School

<p><b>AGENDA</b> Presidio School Board of Directors Meeting 1695 East Ft. Lowell Room # 516 Tucson, Arizona 85719 Thursday, February 13, 2014 5:30 PM</p>
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| <ul style="list-style-type: none"><li>• Call to order</li><li>• Public Comment</li><li>• Consideration to Determine Presidio School, Inc. Status 2014-2015 SY</li></ul> | <p>Mr. Carrillo</p> <p>Mr. Carrillo</p> <p>Mr. Drexel</p> |
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**Presidio School Board of Directors**

**Special Meeting**

**Minutes**

**1695 E. Ft. Lowell**

**Tucson, Arizona**

**Date: February 13, 2014**

**Called To Order:** 5:30 PM

**Adjourned:** 6:37 PM

**Members of the Board:**

- George Barnett, Member
- Martin Carrillo, President
- Thomas Drexel, Vice President
- Terry Garza, Secretary
- Ruben Suarez, Treasurer

**Discussion Points:**

1. PdIS has not operated at capacity since opening.
2. PdIS is currently operating at 70% capacity.
3. The only grade levels that are full are kindergarten and 1<sup>st</sup> grade.
4. Historical enrollment patterns indicate that many parents transfer schools after their children have completed kindergarten and the second highest level of attrition is at the conclusion of their first grade year. Currently there are only nine students in the 5<sup>th</sup> grade classroom, and 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> average 11 to 16 students.
5. The current technology is three years old and most is in line to be replaced without adequate income or reserves being available for replacement.
6. Presidio School is subsidizing PdIS financially and is expending numerous administrative and operational hours in support of the school's operations. This is particularly difficult considering the distance to the school. Providing the leadership and assistance from such a long distance is taxing on the Tucson school and its administrative and support personnel.

**Motions:**

1. To approve the closure of Presidio de las Sierras School at the conclusion of the 2013-2014 school year due to declining enrollment and to notify the Arizona State Board for Charter Schools of Presidio School Inc. decision to surrender the Charter effective July 1, 2014.

Moved by: George Barnett

Seconded by: Ruben Suarez

Outcome: Passed Unanimously

Prepared by:

Terry S. Garza