

**BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS**

**STATE OF ARIZONA**

In the matter of:

**VISIONS UNLIMITED ACADEMY, INC.**  
(a non-profit corporation)

and

**VISIONS UNLIMITED ACADEMY**  
(a charter school)

No. 12F-RV-002-BCS

**SETTLEMENT AGREEMENT**

This Agreement is entered into between Visions Unlimited Academy, Inc., a nonprofit corporation operating Visions Unlimited Academy, a charter school, and the Arizona State Board for Charter Schools, by and through their undersigned representatives, and provides the following terms and agreement:

**I. RECITAL AND LEGAL AUTHORITY**

1. The Arizona State Board for Charter Schools (“Board”) is charged by Arizona Revised Statutes (“A.R.S.”) §§ 15-182(E)(1) and (2), -183(R) with granting charter status to qualifying applicants for charter schools and exercising general supervision over the charter schools it sponsors.

2. Charter schools are established, in part, to provide a learning environment that will improve pupil achievement. A.R.S. §§ 15-101(4), -181(A).

3. A charter establishing a charter school is effective for fifteen years. A.R.S. § 15-183(I).

4. The Board may revoke the 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).

5. The charter of Visions Unlimited Academy, Inc. (“Visions”) provides that the Board may revoke the charter for any violation of the charter, state, federal or local laws, ordinances or rules or regulations or for conditions which threaten the health, safety, or welfare of the students or staff of the charter school or of the general public.

## II. STIPULATED FACTS

6. Visions Unlimited Academy, Inc. operates Visions Unlimited Academy (“the School”), a charter school established pursuant to A.R.S. § 15-181 *et seq.* and sponsored by the Board following a transfer from the sponsorship of the Arizona State Board of Education.

7. The School operates in Benson, Arizona pursuant to a charter contract (“charter”) between Visions and the Board. The School is authorized to serve students in grades kindergarten through eight.

8. Richard Valentine is the Charter Representative and person authorized to execute documents on behalf of Visions.

9. The charter between Visions and the Board was executed in July 2004.

10. Federal law requires that Visions pay taxes required to be deducted and withheld from the wages of its employees and related taxes (“Federal Tax Deposits”<sup>1</sup>) into the Treasury of the United States. 26 U.S.C. § 3401 *et seq.* (“Internal Revenue Code”).

11. Visions’ annual financial statement audit and legal compliance questionnaire for the fiscal years ending June 30, 2009, 2010, and 2011 found that Visions was delinquent in remitting its Federal Tax Deposits to the U.S. Department of the Treasury.

12. Visions is currently in arrears in its remittance of Federal Tax Deposits in the amount of approximately \$134,000, including interest and penalties.

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<sup>1</sup> “Federal Tax Deposits” are the income taxes, Social Security and Medicare taxes that Visions is required to withhold from its employees’ salaries, plus Visions’ share of Social Security and Medicare taxes, that must be timely deposited into the U.S. Department of the Treasury.

13. Since December 2011, Visions has made voluntary payments totaling approximately \$8,800.00 on its arrearage of Federal Tax Deposits.

14. Visions breached its charter and federal law when it failed to timely remit its Federal Tax Deposits into the U.S. Department of the Treasury in the fiscal years ending June 30, 2009, 2010, and 2011.

15. The charter between Visions and the Board provides that all students at the School will meet or exceed the Arizona State Standards in mathematics, reading and writing and that the school/classroom grade level average will meet or exceed standards on the Arizona Instrument to Measure Standards (“AIMS”) in Grades 3, 5 and 8.

16. Over the last five years, except for an increase in 2009, the percent of students passing the AIMS math and reading tests at the School has decreased annually and in all years the percent passing has been significantly below the state average.

17. The academic gains of the School’s students as measured by growth percentiles<sup>2</sup> were less than that of other students in the State who were academically like them in the prior year.

18. None of the students who attended the School for a full academic year in the 2010-2011 school year passed the AIMS math test.

19. Only 32% of the students who attended the School for a full academic year in the 2010-2011 school year passed the AIMS reading test.

20. The 2011 growth percentile data for the School reflects that its students were outperformed by 69% of their academic peers in the State in reading; by 84% of their academic

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<sup>2</sup> Growth percentiles measure student progress from one year to the next. Students are only compared to their academic peers, meaning the highest performing students’ AIMS scores are compared to their highest performing peers, just as the lowest performing students’ scores are compared to their academic peers. Comparing student scores ensures results are not skewed by income levels, parental involvement, race or gender.

peers in the State in math.

21. Visions breached its charter and state law when it failed to provide a learning environment that improves pupil achievement.

22. On April 16, 2012, the Board filed a Notice of Hearing on Intent to Revoke Charter. The matter is set for hearing August 6 and 7, 2012.

### **III. SETTLEMENT TERMS OF ADMINISTRATIVE ACTION**

23. The Board and Visions agree that because of the Board's issuance of the Notice of Hearing on Intent to Revoke Charter and the pending charter revocation hearing, Visions is subject to the termination and revocation of its charter.

24. The Board and Visions agree that A.R.S. §§ 15-183(Q) and 41-1092.07(F)(5) provide that informal disposition of this matter may be made by stipulation, agreed settlement, consent order or default.

25. In consideration of the parties foregoing their option to proceed with the charter revocation hearing, it is in the best interests of the Board and Visions to mutually resolve this matter.

26. By entering into this Agreement, Visions agrees to the recitals and the stipulated facts set forth in this Agreement and understands that it cannot contest any of the recitals or stipulated facts in the future.

27. Visions waives all rights to a hearing of these matters and, further, waives its rights to judicial review of these matters.

28. This Agreement does not limit other actions the Board may take under the law if it determines that Visions is not in compliance with its charter or with state or federal law.

29. Visions agrees to remit voluntary monthly payments of no less than \$1200.00 to the Internal Revenue Service on its Federal Tax Deposits arrearage until such time as it enters into a monthly installment agreement with the Internal Revenue Service to resolve its outstanding balance, at which time it agrees to comply with the terms of its monthly installment agreement. On or before the 30<sup>th</sup> day of each month, beginning July 2012 and continuing until paid in full, Visions agrees to provide evidence to the Board that it has made the required voluntary monthly payments or, if Visions has entered into a monthly installment agreement, to provide evidence to the Board that it has made the required monthly payments under its installment agreement with the Internal Revenue Service.

30. Visions agrees to remain current in the remittance of its Federal Tax Deposits for the current fiscal year and for all subsequent fiscal years of its operation. Further, for all payrolls that occur from July 1, 2012 through such time as an installment agreement is entered into with the Internal Revenue Service, Visions shall, within five calendar days of each of its Federal Tax Deposits, provide evidence to the Board that it has made timely and sufficient Federal Tax Deposits into the Treasury of the United States

31. Within 10 days of the end of every calendar quarter (October 1, January 1, April 1, June 1) throughout the duration of the Performance Management Plan (“PMP”) developed by Visions (March 15, 2012 through May 25, 2014) and submitted to the Board on June 8, 2012, Visions shall complete and submit a Quarterly Report to the Board. Each Quarterly Report shall:

- A. Provide evidence of Visions’ implementation of the Action Steps identified in the PMP within the Timeline(s) identified;
- B. Provide evidence that the School is progressing toward the Board’s Level of Adequate Academic Performance, which includes results of benchmark

assessments, presented in chart and graph format depicting the School's academic student performance. The initial report will establish a baseline measure and each subsequent quarterly report will include previous results as well as the results for the current quarter; and

- C. Provide documentation of the School's budget expenditures for the Action Steps implemented for the quarter.

32. The Board and Visions agree that if Visions fails to comply with the terms and conditions of this Agreement, the Board may, on no less than twenty (20) calendar days notice, hold a hearing at which time the Board will receive information to determine whether evidence exists that Visions failed to comply with the terms and conditions of this Agreement. If the Board determines that a breach of this Agreement has occurred, the Board may revoke Visions' charter to operate the School and terminate its charter for breach of this Agreement which resolved the issues stated in the Notice of Hearing on Intent to Revoke Charter.

33. This Agreement is not binding on either party until both the Board and Visions' 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 Visions and the Board.

34. If either party rejects this Agreement or any part of it, then this Agreement is null and void and not binding on the parties and the Board is free to proceed with the charter revocation hearing

35. Visions has consulted with an attorney prior to entering into this Agreement.

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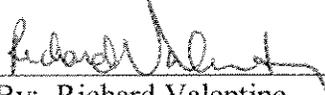
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36. Each party shall be responsible for its own attorney's fees and costs in this matter.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2012 for  
ARIZONA STATE BOARD FOR CHARTER SCHOOLS

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By: Jake Logan  
Arizona State Board for Charter Schools

Signed this 5 day of July, 2012 for  
VISIONS UNLIMITED ACADEMY, INC. and VISIONS UNLIMITED ACADEMY

  
\_\_\_\_\_  
By: Richard Valentine  
Charter Representative  
Visions Unlimited Academy, Inc.

COPIES mailed this  
\_\_\_\_\_ day of \_\_\_\_\_, 2012 to:

Alan K. Hyde  
Holm, Wright, Hyde and Hays, PLC  
10429 South 51<sup>st</sup> Street  
#285  
Phoenix, Arizona 85044  
Attorney for Visions Unlimited Academy, Inc. and Visions Unlimited Academy

Kim S. Anderson  
Assistant Attorney General  
Civil Division/Education and Health Section  
1275 West Washington  
Phoenix, AZ 85007  
Attorneys for the Arizona State Board for Charter Schools

By \_\_\_\_\_  
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## GOVERNING BOARD MEETING

**July 5, 2012 10:00 PM**

Visions Unlimited Academy  
1275 East Barney Lane  
Benson, Arizona 85602

Call to order: The meeting was called to order at 10:22 by Richard Valentine.	
Members in Attendance	
Cathy Stroupe	Present
Richard Valentine	Present
Steve Orton	Present
Andrea Grogg	Absent
Members of the public in attendance	None
Call to the public:	none present

Consent Agenda		
A. Minutes of the Meeting of <b>June 29, 2012</b>	Motion made by Steve Orton, Seconded by Cathy Stroupe to accept consent agenda	Motion passed Unanimously
Old Business		
A. AZ State Charter Board Agreement	Extensive discussion regarding the settlement agreement. 1)Execution of Performance Management Plan 2)Continued Compliance with IRS 3)AIMS scores Motion made by Cathy Stroupe, Seconded by Steve Orton to accept settlement agreement and submit with Director's signature to AZ State Charter Board and legal counsel	Motion passed Unanimously
B. Performance Management Plan	Motion made by Steve Orton, Seconded by Cathy Stroupe to adopt Performance Management Plan as written.	Motion passed Unanimously
C. Personnel Action – Richard Valentine	Motion made by Cathy Stroupe, Seconded by Steve Orton to accept the hire of Richard	Motion passed Unanimously

	Valentine in the position of Director for the 2012-2013 School year.	
Recess 10:43 AM	Motion made by Steve Orton, Seconded by Cathy Stroupe to call a recess	Motion Passed
New Business		
Hearing Opened 10:44 AM	Motion made by Steve Orton, Seconded by Cathy Stroupe to open hearing	Motion Passed
A. Budget Hearing		
i. Call to Public	No response	
ii. Adopted budget: Budget FY 13	Adopted budget reviewed and discussed	
iii. Close hearing: 10:55 AM	Motion made by Steve Orton, Seconded by Cathy Stroupe to close hearing	Motion Passed
B. Adopt Adopted Budget	Motion made by Steve Orton, Seconded by Cathy Stroupe to adopt the FY 13 Adopted Budget as written	Motion Passed Unanimously
Adjournment	Motion made by Cathy Stroupe, Seconded by Steve Orton to adjourn	Adjourned 10:59