

AGENDA ITEM EXECUTIVE SUMMARY: Proposed Revisions to the Letter Grade Consent Agreement for Schools Assigned an “F” Letter Grade

Issue

If a charter school is assigned a letter grade of “F”, the charter school’s sponsor must either take action to restore the charter school to acceptable performance or revoke the charter school’s charter. A.R.S. § 15-241.02(I). In consultation with the Arizona State Board for Charter Schools’ (“Board”) legal counsel, staff is proposing an update to the Letter Grade Consent Agreement (“Letter Grade Agreement”) for Board consideration.

If at a later date a charter holder is offered the Letter Grade Agreement, the proposed agreement, provides the charter holder the opportunity to improve academic performance and to restore the charter school to acceptable performance in accordance with Arizona Administrative Code (“A.A.C.”) R7-5-602 and R7-5-606.

Legal Authority

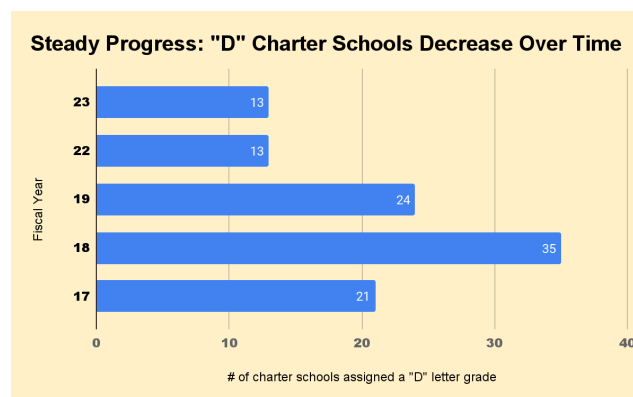
Pursuant to Arizona Revised Statutes (“A.R.S.”) §§ 15-182(E)(1) and (2) and 15-183(R), Board is charged with granting charter status to qualifying applicants for charter schools and exercising general supervision over the charter schools it sponsors. If a charter school is assigned a letter grade of “F”, the Arizona Department of Education (“ADE”) must immediately notify the charter school’s sponsor. A.R.S. § 15-241.02(I). The charter school’s sponsor must either take action to restore the charter school to acceptable performance or revoke the charter school’s charter. *Id.*

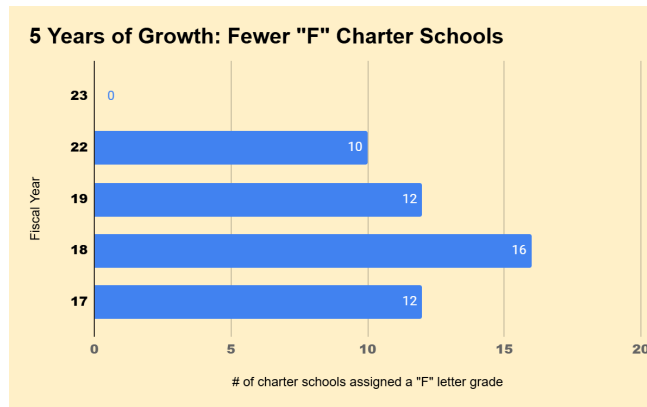
Pursuant to A.A.C. R7-5-602 and R7-5-606, the Board may enter into a consent agreement with a charter holder operating a school assigned a letter grade of “F” to restore the charter to acceptable performance within a specified time period.

Background and Context

In advancing our portfolio and ensuring quality schools for Arizona students, the Board remains committed to its mission of “improving public education by sponsoring charter schools that provide quality educational choices.” To fulfill this mission, we continually refine and enhance our authorizing practices to ensure quality educational options are accessible to Arizona students and their families.

Over the past six years, charter schools sponsored by this Board have demonstrated improved academic performance, evidenced by a reduction in the number of “D” and “F” schools, as illustrated in the charts below.





One key practice supporting this mission is the implementation of a turnaround strategy for underperforming schools. This strategy offers schools the opportunity to enter into a consent agreement. The primary objective of this approach is to elevate these schools’ performance enabling them to achieve a letter grade of “C” or higher, in alignment with the Board’s Academic Performance Framework and Overall Rating for Meeting the Academic Performance Standard.

The Board first approved letter grade consent agreements in March 2018 as a strategy to support charter holders operating schools with an "F" letter grade in improving academic performance over a three-year period. Since its implementation, the Board has observed significant academic growth and sustainability among schools participating in the letter grade consent agreement.

From 2018 to the present, 31 schools have been placed under a letter grade consent agreement. The following data illustrates the impact of the agreements:

- 87% (27) of schools improved their letter grade in one year.
- 65% of schools improved their letter grade to a “C” or better within the first year.
- By the third year of the agreement, only 3 schools had not achieved or sustained a letter grade of “C” or better (1 school received a “F” and 1 received a “D”).

Based on the data presented above, staff conducted a detailed analysis to determine how often schools under a consent agreement received a “D” during their three-year agreement period. The analysis revealed a consistent decline in the number of schools receiving a “D” through the consent agreement process. In Year 1, seven schools received a “D” and only 2 schools received a D in either the 2nd or 3rd year of the agreement. This trend supports the conclusion that the proposed changes described below are likely to further enhance overall academic performance.

Proposed Changes to Agreement Terms

Based on the demonstrated success of the letter grade consent agreement in improving school performance, the Board staff propose revisions to the terms of the agreement to strengthen its focus on incremental academic progress and maintaining academic progress. The proposed changes are as follows:

1. **Year 1 Requirement:** The school must achieve a minimum letter grade of "D" or better.
2. **Year 2 and Year 3 Requirement:** The school must achieve and maintain a letter grade of "C" or better.

All other terms of the current agreement will remain unchanged. This includes the revision made during



the November 21, 2022, Board meeting, which addressed scenarios where a school is not assigned a letter grade for a given fiscal year. Specifically, if a school receives a "Not Rated" (NR) designation instead of a letter grade ("D," "C," "B," or "A"), the charter holder agrees to extend the duration of the letter grade consent agreement. The agreement will be extended by one fiscal year for each fiscal year in which a letter grade is not assigned, up to the point where the school has been assigned three letter grade designations.

Additionally, the updated Letter Grade Agreement will keep Identical standard terms and conditions for each charter holder offered this agreement. Similar to the agreement used by the Board when charter holders enter into a Financial Performance Agreement, the Letter Grade Agreement includes an addendum which describes the terms for surrender and charter termination. The addendum only comes into effect when the charter holder does not meet the terms of the Letter Grade Agreement. It should be noted, if the charter holder has more than one school under its contract, failure to meet the terms of the agreement would result in the closure of the school and not a surrender of the full contract.

In both the previous version and the updated Letter Grade Agreement, the charter holder has the opportunity to address the matter in front of the Board before a final decision on closure is made. The Letter Grade Agreement also acknowledges that if changes are made to the system utilized by the State Board of Education to assess school performance while the agreement is in effect, the Board will take those changes into account when determining whether the charter holder is in noncompliance with the Letter Grade Agreement.

Conclusion

The proposed changes aim to build on the success of the current letter grade consent agreement framework while ensuring charter schools remain on a clear path to sustainable academic improvement in alignment with the Board's Academic Performance Framework. These adjustments reflect the Board's commitment to supporting schools in achieving and maintaining higher academic standards.

If at a later date a charter holder is offered and that charter holder's board approves the Letter Grade Agreement, staff asks the Board to authorize the Board President to sign the agreement without the agreement being brought before the Board at a subsequent regular meeting.

The updated Letter Grade Agreement is included in *Appendix A: Letter Grade Agreement and Addendum*.



Appendix A: Letter Grade Agreement and Addendum



**LETTER GRADE CONSENT AGREEMENT
BETWEEN
{CHARTER HOLDER NAME} AND THE ARIZONA
STATE BOARD FOR CHARTER SCHOOLS**

This Fiscal Year (“FY”) 202X Letter Grade Consent Agreement (“Agreement”) is made by and between CHARTER HOLDER NAME IN ALL CAPS (“Charter Holder”), a nonprofit/for-profit corporation/other legal entity organized under the laws of the state of Arizona, and the ARIZONA STATE BOARD FOR CHARTER SCHOOLS (“the Board”), collectively referred to herein as the “Parties” or, individually, as a “Party”. This Agreement has been entered into to restore the charter school, SCHOOL NAME IN ALL CAPS (“the School”), to acceptable performance under A.R.S. § 15-241.02(I).

RECITALS

A. The Board is charged with granting charter status to qualifying applicants and with exercising general supervision, oversight and administrative responsibility of the charter schools it sponsors. A.R.S. § 15-182(E); A.R.S. § 15-183.

B. In implementing its oversight and administrative responsibility, the Board shall base its action in evidence of the charter holder’s compliance with all applicable state, federal and local laws, its charter, other contractual obligations with the Board and its performance under the performance frameworks. A.R.S. § 15-183; A.A.C. R7-5-501.

C. The Board’s oversight action may include, but is not limited to, entering into a consent agreement to bring the charter holder into compliance or issuing a notice of intent to revoke. A.R.S. § 15-183; A.A.C. R7-5-601; see A.R.S. § 15-182(E)(1).

D. The determination of whether to provide for an informal disposition of the matter or revoke a charter shall be made at a public hearing called for such purpose. A.A.C. R7-5-601.

E. The Arizona Department of Education (“ADE”) annually compiles achievement profiles from which it assigns letter grades for all Arizona charter schools and school districts. A.R.S. § 15-241(A). A school can earn a letter grade of “A”, “B”, “C”, “D”, or “F”. A.R.S. § 15-241(G). A letter grade of “A” demonstrates an excellent level of performance, and a letter grade of “F” demonstrates a failing level of performance. *Id.* A letter grade of “F” may also be assigned to a school that is among the "persistently lowest-achieving schools in the state on a majority of the performance indicators of the annual achievement profile under the federal school accountability requirements pursuant to section 1003(g) of the [E]lementary and [S]econdary [E]ducation [A]ct (20 United States Code section 6303).” *Id.*

F. If notified by the ADE that a charter school has been assigned a letter grade of “F”, the Board shall require the charter holder to appear before the Board. A.A.C. R7-5-602. The Board shall issue a notice of intent to revoke the charter or enter into a consent agreement with the charter holder to restore the charter and the school to acceptable performance. A.R.S. § 15-241.02(I); A.A.C. R7-5-602(A). In determining whether to revoke the charter or restore the charter school to acceptable performance, the Board shall consider all relevant factors, including those outlined in A.A.C. R7-5-602(E).

G. The Charter Holder operates [#] charter school(s) – [INSERT NAME OF SCHOOLS AND GRADES SERVED] - pursuant to a 15/20-year new/renewal contract between the Charter Holder and the Board (“Charter”), effective DATE.

H. The Charter Representative(s) [is(are)] the person(s) authorized to execute documents on behalf of the Charter Holder. The Charter Representative(s), at the time of execution of the Agreement and as stated in the Board’s records, [is(are)] [INSERT NAME(S)].

I. On DATE, ADE notified the Board that the School was assigned the letter grade of “F” for fiscal year (“FY”) 202X (July 1, 202X through June 30, 202X).

J. On DATE, the Board provided the Charter Holder with written notice that the School had received a letter grade of “F” for the FY 202X and of its duties under A.A.C. R7-5-602(C) (“Failing School Notification”).

K. Due to the School having received a letter grade of “F” for FY 202X, the Board is required to issue a notice of intent to revoke the Charter or enter into a consent agreement to restore the charter and the School to acceptable performance. A.R.S. § 15-241.02(I); A.A.C. R7-5-602(A).

L. At the DATE Board meeting, the Board approved a motion to restore the School to acceptable performance through a consent agreement for the following reasons:

1. It is in the best interest of the students choosing to attend the School that the School improves its students’ academic performance.
2. The Charter Holder has satisfied all requirements contained in A.A.C. R7-5-602(C), in the manner specified in the Failing School Notification dated DATE.

AGREEMENT TERMS

The Charter Holder and the Board agree to the following terms:

1. **Effective Date:** This Agreement is effective immediately upon its approval and execution by the authorized representatives of the Board and the Charter Holder and remains in effect until the Charter Holder demonstrates full compliance with the terms of this Agreement.

2. **Resolution through Agreement:** The Board and the Charter Holder agree that it is in the best interest of both Parties to resolve the matter of the School receiving a letter grade of “F” for FY 202X through a consent agreement to restore the School to an acceptable performance. Accordingly, the Board and the Charter agree to mutually resolve this matter through this Agreement.

3. **Recitals:** The Parties acknowledge and agree that the foregoing recitals are true and correct and are hereby incorporated as a material part of this Agreement.

4. **Demonstration of Improved Academic Achievement and Noncompliance:** In order for the Board to determine that the School has been restored to acceptable performance, the School must demonstrate improved academic achievement through the assignment of a letter grade other than “F” for three consecutive fiscal years in which letter grade designations are assigned by the ADE. Accordingly, the School must demonstrate improved academic achievement by being assigned letter grades for next three consecutive fiscal years as follows:

- a. A letter grade other than “F” for FY 202X (July 1, 202X through June 30, 202X), and
- b. A letter grade other than a “D” or “F” for FY 202X (July 1, 202X through June 30, 202X), and FY 202X (July 1, 202X through June 30, 202X).
- c. A letter grade other than an “F” is defined as a letter grade of “D,” “C,” “B,” or “A. A letter grade other than a “D” or “F” is defined as a letter grade of “C,” “B” or “A”.
- d. If at any time during FY 202X, FY 202X, or FY 202X, the School is assigned a “NR” rating (meaning “Not Rated”) or, notwithstanding the reason, is not assigned a letter grade, the Charter Holder agrees to extend the duration of this Agreement by one fiscal year for each fiscal year in which a letter grade of “NR” is assigned, or letter grade is not assigned, until the School has been assigned three letter grade designations. Each additional fiscal year shall be included in the required three consecutive fiscal year letter grades required in Paragraph 4. The School shall demonstrate that it has been restored to acceptable performance by being assigned a letter grade other than “F” if extended for FY 202X. If extended for FY 202X, FY 202X or any other additional year, the School shall demonstrate compliance by not receiving a letter grade of “D” or “F”.

5. **Result of Noncompliance:** If Board staff makes a finding(s) that the School is in noncompliance pursuant to the terms of this Agreement, the Charter Holder shall be required to take the following action:

- a. FY202X, FY202X or FY202X Letter Grade: If the School is found in noncompliance with the terms of this Agreement for FY202X, FY202X or FY202X pursuant to Paragraph 4, the Charter Holder shall [surrender the Charter and terminate its operation of the School on or before June 30 of the subsequent year for which the letter grade was assigned] [OR terminate its operation of the School on or before June 30 of the subsequent year for which the letter grade was assigned].
- b. Letter Grade of Not Rated or Letter Grade Not Assigned.

If the School is found in noncompliance with the terms of this Agreement for any year in which the Agreement is extended pursuant to Paragraph 4d, the Charter Holder shall [surrender its Charter and terminate its operation of the School on or before June 30th of the subsequent fiscal year to which the letter grade was assigned] [OR terminate its operation of the School on or before June 30th of the subsequent fiscal year for which the letter grade was assigned].

6. **Notice to Parents/Guardians:** For the duration, including any extension, of this Agreement, the Charter Holder agrees to provide written notice if the School is assigned a letter grade of “F” for FY 202X, or any extension of FY 202X, or a letter grade of “D” or “F” for FY 202X or FY 202X, or any extension for a fiscal year other than FY 202X. Such notice shall be provided to the parents or guardians of all students upon their enrollment and, within 30 days, to the parents or guardians of all students attending or enrolled in the School. This notice shall state that the letter grade assigned to the School and the terms described in paragraph 5a and 5b, noting the applicable dates for each fiscal year and the applicable closure. Within 30 days of the signing of this Agreement, the Charter Holder shall provide to the Board a copy of the notice described in this paragraph and a description of how the notice will be provided to parents or guardians of students attending, enrolled, or enrolling in or returning to the School.

7. **Parental/Guardian Notice – Noncompliance Finding:** Within 30 days of receiving written notice from the Board that the School is not in compliance with the terms of this Agreement and is subject to termination and/or closure pursuant to Paragraph 5 (“Board Surrender and/or Closure Notice”), the Charter Holder shall notify the parents or guardians of students who are attending or enrolled that the School will be closing at the end of the current school year (“Parent/Guardian Closure Notice”). As verification, within 45 days of receiving the Board Surrender and/or Closure Notice, the Charter Holder shall provide the Board with a copy of the Parent/Guardian Closure Notice along with a description of how the notice was provided to the parents or guardians of students attending or enrolled in the School and a list of the names

and mailing addresses of the parents or legal guardians of all students attending or enrolled in the School.

8. **Compliance with Current Law:** To the extent that the requirements of any federal, state or local statute, regulation, rule, policy or procedure relied upon in this Agreement changes while this Agreement is in effect, the Charter Holder shall comply with the revised statutory or regulatory requirements.

a. If the system utilized by the Arizona State Board of Education to assess school performance changes while this Agreement is in effect, the Board will consider the changes when determining whether the Charter Holder is in noncompliance with this Agreement.

9. **Addendum A:** Should the Charter Holder be required to surrender its Charter and terminate operation of the School pursuant the terms set forth in this Agreement, the terms set forth in Addendum A shall apply. Addendum A is incorporated herein and made part of this Agreement by this reference.

10. **Right of Non-enforcement:** The Board's decision, at any time, to not enforce any provision of this Agreement or not to act on a violation of this Agreement shall not constitute a waiver of such right.

11. **Enforcement Retention:** This Agreement does not limit any actions the Board may take, pursuant to federal, state or local statute, rule, regulation, policy or procedure, its Charter or obligations with the Board, for reasons other than the Charter Holder's failure to comply with this Agreement.

12. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties and supersedes and replaces all prior meetings, understandings or discussions between the Parties, with regard to the stated issue(s) in this Agreement, and may not be modified or amended except by written instrument, signed by both the Charter Holder and the Board.

13. **Severability:** Should any provision of this Agreement be held invalid or unenforceable, such illegality or unenforceability shall not invalidate the whole of this Agreement. In that event, the Agreement shall be construed as if it did not contain the illegal part, and the rights and obligations of the Parties shall be construed and enforced accordingly.

14. **Execution by Boards:** This Agreement is not binding on either party until each Party's governing board accepts it by the number of votes necessary to pass a measure and at a public meeting. The Agreement is effective immediately upon its approval and execution by the authorized representatives of each Party.

15. **Execution in Counterparts:** This Agreement may be executed in one or more counterparts, each of which is equally admissible in evidence and each of which shall fully bind each Party who has executed it. Each Party agrees to deliver an executed copy of this Agreement to the other Party.

16. **Authorized Representatives:** The persons executing this Agreement on behalf of the Parties hereby represent and guarantee that they have been authorized to do so, on behalf of themselves, and the entity they represent.

17. **Inurement:** This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assignees.

18. **Attorney Consultation:** Both Parties enter into this Agreement of their own free will and judgement and acknowledge that they have the right to consult their legal advisor prior to entering into this Agreement.

19. **Attorneys' Fees and Costs:** The Parties shall be responsible for their own attorneys' fees and costs in this matter.

20. **Governing Law and Venue:** This Agreement shall be governed by and construed in accordance with the law of the State of Arizona. Venue for any action to enforce this Agreement shall be in Maricopa County, Arizona.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

By: Hans-Dieter Klose
President, Arizona State Board for Charter Schools

Date

NAME OF CHARTER HOLDER IN ALL CAPS

By: Name of Charter Representative
Charter Representative, Name of Charter Holder

Date

**ADDENDUM A
LETTER GRADE CONSENT AGREEMENT
BETWEEN CHARTER HOLDER NAME AND
ARIZONA STATE BOARD FOR CHARTER SCHOOLS**

This addendum (“Addendum”) constitutes part of the Fiscal Year (“FY”) 202X Letter Grade Consent Agreement (“FY2X Letter Grade Agreement”) entered into between CHARTER HOLDER NAME IN ALL CAPS (“Charter Holder”) and the ARIZONA STATE BOARD FOR CHARTER SCHOOLS (“the Board”), collectively referred to herein as the “Parties” or, individually, as a “Party”. This Addendum is incorporated in and made part of the FY2X Letter Grade Agreement by this reference.

AGREEMENT TERMS

Should the Charter Holder be required, pursuant to the FY2X Letter Grade Agreement, to surrender its Charter and terminate the operation of the School(s), the Charter Holder and the Board agree as follows:

1. The Charter Holder shall surrender its Charter and terminate operation of [INSERT NAME(S) OF SCHOOLS] effective 11:59 p.m. on June 30th of the fiscal year subsequent to the fiscal year for which ADE assigned the School a letter grade of “D” or “F”, whichever is applicable pursuant to the FY24 Letter Grade Agreement.

2. The Charter Holder shall comply with all notice requirements set forth in the FY2X Letter Grade Agreement.

3. No later than June 30th of the fiscal year subsequent to the fiscal year for which ADE assigned the School a letter grade of “D” or “F”, whichever is applicable pursuant to the FY2X Letter Grade Agreement, the Charter Holder shall provide to the parent or legal guardian of each student enrolled in the School a complete copy of the student’s educational records, including an

executed withdrawal form for the student, a copy of the student's final report card or transcript and, if applicable, a complete copy of the student's special education records.

4. Subject to the terms of this Addendum, the Parties agree that, upon surrender of the Charter and termination of the School's(s') operation, the Board shall become the custodian of the School's(s') student records. The Charter Holder shall retain all responsibility and liability for the maintenance of all student records during the time period prior to the Board's receipt and acceptance of such records. Thereafter, subject to the terms of this Addendum, the Board is responsible and liable for such records. All student records shall be maintained, at all times, in accordance with the Student Records Retention Schedule provided by the Arizona State Library, Archives and Public Records division of the Arizona Secretary of State's Office.

a. On or before the termination date of the Charter, the Charter Holder shall deliver to the Board all student records, organized alphabetically in lidded banker boxes or on a suitable electronic storage device. An alphabetical inventory list that includes the names and corresponding grade levels of all student files contained in the boxes or on the electronic storage device shall accompany the student records upon delivery to the Board. If the files delivered to the Board do not reconcile with the inventory list and/or are not organized pursuant to this Paragraph, the Board may require the Charter Holder to retain custody of the records until such records reconcile with the inventory list and/or are presented in the manner stated by the Board. Upon delivery of the student records, the Charter Holder shall execute the Custodian of Records Attestation Form ("Records Attestation Form") acknowledging that each student record includes all applicable documents listed in the Arizona State Library, Archives and Public Records, General Records Retention Schedule for School Districts and Charter Schools, Student Records, Schedule Number GS-1074 Rev. 1. The Charter Holder remains responsible and solely liable for any and all student

records that it fails to transmit to the Board and all claims relating to or arising therefrom. Upon receipt of such records and the Records Attestation Form executed by the Charter Holder, the Board shall provide the Charter Holder with written confirmation acknowledging the Board's receipt of the inventoried records and assumption of responsibility for such records from that date forward, subject to the terms of this Addendum and the Records Attestation Form. The Charter Holder assumes all responsibility and cost of transporting the student records to the Board.

5. The Board and/or the Charter Holder may elect that the Charter Holder shall retain custody of all student records and that the Board shall not become custodian of such records. The Party electing the Charter Holder to retain custody shall notify the other Party in writing. In this case, the Charter Holder shall retain all responsibility and liability for the maintenance of all student records. All student records shall be maintained in accordance with the Student Records Retention Schedule provided by the Arizona State Library, Archives and Public Records division of the Arizona Secretary of State's Office.

a. In the event the Charter Holder later determines that it no longer wants to remain custodian of the School(s) student records, the Charter Holder shall notify the Board. Upon the Board's agreement to become custodian of the student records, the Charter Holder shall deliver the records to the Board in accordance with the terms set forth in Paragraph 4.

6. The Charter Holder shall submit all requisite student level data for its receipt of state equalization funding for the current school year to the Arizona Department of Education ("ADE") through the Arizona Education Data Standards ("AzEDS") system and in the manner directed by ADE.

7. The Charter Holder authorizes ADE to update the School's student level data in the AzEDS system for the purposes of facilitating student enrollment upon closure of the School.

8. The Charter Holder is permitted to receive all state equalization assistance funds, to which it is entitled under the school funding formula provided in Arizona law, for the last fiscal year for which it is in operation, but no more.

9. Pursuant to A.R.S. § 15-902.03, on or before August 30th following the end of each fiscal year ("FY"), ADE shall recalculate the average daily membership ("ADM"), finalize state aid calculations and make any necessary adjustments for the previous fiscal year for all school districts and charter schools ("Recalculation"). The Charter Holder agrees that ADE may withhold, pending its Recalculation, the Charter Holder's final payment for the previous fiscal year in order for ADE to complete its Recalculation and ensure timely repayment of funds, if necessary.

- a. If the Charter Holder disputes the Recalculation or ADE's decision regarding a disputed Recalculation, it shall notify ADE of such dispute ("Dispute Notice") within five (5) business days of receipt of ADE's written Recalculation or decision on a dispute. The Dispute Notice shall be in writing and set forth the basis for the Charter Holder's dispute. ADE shall, in good faith, reconsider the Recalculation and work with the Charter Holder to review all applicable data to resolve any discrepancy. Any and all disputes shall be raised and resolved within 60 calendar days from ADE receiving the Charter Holder's initial Dispute Notice. If the Charter Holder notifies ADE of a dispute with the Recalculation less than five (5) business days prior to the end of the 60 calendar day final determination date, ADE may extend the 60 calendar day deadline by five (5) business days. ADE's determination at the end of the 60 calendar days, or applicable extension, shall be final.

b. Within 45 calendar days of the Charter Holder's receipt of ADE's final decision and determination of amounts due, pursuant to Paragraph 9, the Charter Holder and/or ADE, whichever is applicable, shall remit any and all outstanding amounts due to the other party. Should the Charter Holder fail to timely remit any and all amounts due, ADE shall make a good faith attempt to communicate and reach an agreement with the Charter Holder regarding delinquent payments. If an agreement cannot be reached or the Charter Holder fails to remit payment pursuant to the agreed upon date, ADE may refer the matter to its collection agency.

10. The Charter Holder is permitted to receive Classroom Site Funds, to which it is entitled under the school funding formula provided in Arizona law, for the last fiscal year for which it is in operation, but no more. The Charter Holder shall spend the Classroom Site Funds in a manner consistent with the intent as specified in A.R.S. § 15-977. The Charter Holder shall refund any overpayment of Classroom Site Funds in the amount determined by ADE and in the manner directed by ADE.

11. The Charter Holder shall submit any outstanding grant reports and shall refund any outstanding grant monies or allocation of education funds in the amount determined by and in the manner directed by ADE.

12. The Charter Holder is permitted to receive Instructional Improvement Funds, to which it is entitled under the school funding formula provided in Arizona law, for the last fiscal year for which it is in operation, but no more. The Charter Holder shall expend the Instructional Improvement Funds in a manner consistent with the intent as specified in A.R.S. § 15-979.

13. Nothing in this Addendum is intended to prevent ADE or the Charter Holder from exercising their statutory and regulatory rights to contest or collect amounts due by either party.

Addendum A to FY2X Letter Grade Consent Agreement
Surrender and Charter Termination
Name of Charter Holder
Name of School

14. Both Parties acknowledge and agree that ADE is an intended third-party beneficiary to this Addendum between the Board and the Charter Holder and that the Superintendent of Public Instruction shall have the right to directly enforce any and all terms related to the rights and responsibilities vested in the ADE hereunder and pursuant to law, as if it were a party hereto.

15. This Addendum and FY2X Letter Grade Agreement constitutes the entire agreement between the parties with respect to the surrender of the Charter and the operation of the School pursuant to the FY2X Letter Grade Agreement and may not be modified or amended except by written instrument, signed by each of the parties hereto.

16. The Parties affirm that no other terms or conditions of the FY2X Letter Grade Agreement not hereby otherwise modified, added or amended shall be negated or changed as a result of this Addendum.

ARIZONA STATE BOARD OR CHARTER SCHOOLS

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

CHARTER HOLDER NAME (USE ALL CAPS)

By: CHARTER REP NAME
Charter Representative, CHARTER HOLDER NAME
Date: _____