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## **Summit Academies and Summit Academy High School Merger Approval Action Summary June 8, 2023**

**Action:** The board will consider the approval of the Transfer of Assignment of Summit Academy High School to Summit Academies (see page 7 of Summit Academy’s Charter Agreement), effectively merging the two LEAs.

**Context:** Summit High School and Summit Academies were set up as separate LEAs, but have in practice largely functioned as a single LEA. The main differences are that the funds and reporting had to be kept separate, which has caused some unique challenges. The two LEAs wish to officially merge under the Summit Academies LEA. Doing this will save the combined LEA significant amount of money and will be easier for reporting, since they will no longer have to report under separate LEAs.

**Statute or Rule:** [53G-5-504](#)

**Background of the Issue:** This merger will be a Transfer of Assignment, as allowed by Summit High School’s Charter Agreement. We would be transferring the assignment of the Charter Agreement to Summit Academy. This will (on paper) mean that Summit High School (the LEA) will close, and Summit Academies will open a new campus, Summit High School. To students and the community, there should be no difference.

The talk about the merger of Summit Academies and Summit Academy High School has been going on for a few years. The Summit Academy team has taken several steps in the process for a successful merger, such as:

- 1) Going before the Utah Charter Finance Authority for financial approval (Keeping Bonds separate for now for the two LEAs).
- 2) School board approval of Charter and Exhibit A, as well as an Assignment agreement.
- 3) Started working with USBE (on Finances, Aspire, Cactus etc.), auditors, legal counsel, etc.

By way of information, Summit High School and Summit Academies both have bonded their buildings, but only Summit Academies is credit enhanced. This created some challenges, but the LEAs have worked through those challenges and received the support of the Utah Charter School Finance Authority to merge. At least for the time being, the bonds will be kept separate and there seems to be no issue with Summit Academies having two bonds. Despite this, the school needs to give an official 90-day notice to bond holders. The bond holders cannot veto the merger or make any changes to any decision of the LEAs and the SCSB. Summit Academies will continue keeping separate financial statements for bondholders as necessary until the 90 days’ notice requirements are met.



**Possible Motion:**

1. I move to approve the Transfer of Assignment of Summit High School to Summit Academies starting July 1, 2023, if both LEAs have completed all the steps needed to occur before the entities merge on July 1, 2023.

I also move to approve the new Charter Agreement for Summit Academies, that among other things, includes the addition of a High School campus beginning for the 2023-2024 school year.

**Rationale:** Merging the two LEAs under Summit Academies will save money and be less of a reporting burden.

Typically, a school can only close or open at the beginning of a new school year (July 1). Since on paper, this transfer of assignment closes the high school LEA and creates a new high school satellite campus, the transfer of assignment ideally should occur on July 1st.

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