

**NOTICE OF PUBLIC MEETING
ARIZONA STATE BOARD FOR CHARTER SCHOOLS**

FINANCIAL FRAMEWORK SUBCOMMITTEE

Pursuant to Arizona Revised Statutes (A.R.S.) § 38-431.02, notice is hereby given to the members of the Arizona State Board for Charter Schools' Financial Framework Subcommittee ("Subcommittee") and to the general public that the Subcommittee will hold a meeting, open to the public, on **Wednesday, November 8, 2023 at 9:00 a.m.**

The **Wednesday, November 8, 2023** Subcommittee meeting will be a hybrid-access meeting. This means that the public has the opportunity to participate in-person or virtually. Information on how the public may attend is outlined below.

Please note the location of the **Wednesday, November 8, 2023** Subcommittee meeting: 1700 W. Washington St., Executive Tower, 3rd Floor Boardroom, Phoenix, AZ 85007.

A copy of the meeting agenda is attached. The Subcommittee reserves the right to change the order of items on the agenda. One or more members of the Subcommittee may participate telephonically or virtually.

Pursuant to A.R.S. § 38-431.02(H), the Subcommittee may discuss and take action concerning any matter listed on the agenda.

Pursuant to A.R.S. § 38-431.03(A)(2), the Board may vote to convene in executive session, which will not be open to the public, for discussion or consideration of records exempt by law from public inspection.

Pursuant to A.R.S. § 38-431.03(A)(3), the Subcommittee may vote to convene in executive session, which will not be open to the public, for legal consultation and advice concerning any item on the agenda.

Persons with a disability may request reasonable accommodation, such as a sign language interpreter, by contacting Daniel Cobin at (602) 364-3080. Requests should be made as early as possible to allow time to arrange the accommodation.

The **Wednesday, November 8, 2023 Subcommittee** meeting will be a hybrid-access meeting. Please see below on how to access the meeting.

ATTENDING IN-PERSON

In order to gain access to the ASBCS boardroom, you will be required to go through security at the main entrance to the State Capitol Executive Tower, West Wing, 1700 W. Washington St., Phoenix, AZ 85007. After going through security, proceed to the elevators and go to the 3rd floor. The boardroom is located directly across from the elevators. The boardroom will be open to members of the public at 8:00 a.m.

ATTENDING VIRTUALLY (2 OPTIONS)

Option 1. If you would like to engage with and/or provide feedback to the Subcommittee members during the meeting via computer or a smartphone with a data plan, then use the information below to join the Zoom meeting.

Join Zoom Meeting

<https://us06web.zoom.us/j/84000771686?pwd=wKCF3s1Ob6GAS7J4EJfvgGaFGdkc7z.1>

Meeting ID: 840 0077 1686

Passcode: 773154

One tap mobile

+16694449171,,84000771686#,,,,*773154# US

+16699006833,,84000771686#,,,,*773154# US (San Jose)

Dial by your location

+1 669 444 9171 US

Meeting ID: 840 0077 1686

Passcode: 773154

Find your local number: <https://us06web.zoom.us/j/kes0W6RTZP>

Expectations for Virtual Participation

- When signing into the meeting, make sure your microphone is off. If you wish to address the Subcommittee, please click on “Raise Hand”. Once you are acknowledged by Executive Director Ashley Berg or the Subcommittee Chairman, it will be appropriate to turn on your microphone. Camera use is optional, but encouraged.
- If you are calling into the meeting telephonically, make sure your microphone is off.
- A Zoom account is not required to access the meeting; please use the link and passcode provided.
- The chat function will be limited to communication with the meeting host (i.e., Board staff), therefore participants can notify Board staff of any technology issues that may occur during the meeting. Participants may also call (602) 364-3080 with any issues.

Option 2. If you would like to watch the Subcommittee meeting via computer or a smartphone with a data plan, then follow the steps below. Please note that under this option, you will not be able to engage with or provide feedback to the Subcommittee members.

- Click on the following link: https://www.youtube.com/channel/UcKpBhJyH-7N_Pw1hpi3nSA;
OR
- Open a web browser on your device (Google Chrome, Safari, Internet Explorer, Firefox). Then, type or copy the above link into the address or search bar on your browser and press “Enter”.

Public Comment

Public comments for the meeting will be accepted verbally during the meeting. Members of the public will be able to provide public comment for items during consideration of the item. This will assist the Subcommittee in having a robust conversation with stakeholders as it considers the agenda item.

Members of the public that do not have internet access to watch the meeting should contact the Board at 602-364-3080 or at charterschoolboard@asbcs.az.gov and Board staff will assist you, as needed.

DATED AND POSTED this 6th day of November, 2023.

By /s/ Ashley Berg

Ashley Berg
Executive Director

ARIZONA STATE BOARD FOR CHARTER SCHOOLS
FINANCIAL FRAMEWORK SUBCOMMITTEE
Wednesday, November 8, 2023
Subcommittee Meeting
9:00 AM

ALL ITEMS ON THIS AGENDA ARE OPEN FOR DISCUSSION AND POSSIBLE ACTION, INCLUDING REPORTS AND ACTION ITEMS.

THE AGENDA AND BACKGROUND MATERIAL PROVIDED TO SUBCOMMITTEE MEMBERS ELECTRONICALLY (WITH THE EXCEPTION OF MATERIAL RELATING TO POSSIBLE EXECUTIVE SESSIONS) ARE POSTED ON THE BOARD’S WEBSITE AT <https://asbcs.az.gov/about/meeting-dates-materials>. ADDITIONALLY, A HARD COPY OF THE AGENDA IS AVAILABLE AT 1700 WEST WASHINGTON ST., PHOENIX AZ 85007 SUITE #304. PLEASE EMAIL CHARTERSCHOOLBOARD@ASBCS.AZ.GOV TO INSPECT THE DOCUMENTS.

REMINDER: As required by Open Meeting Law, please refrain from engaging in conversations, texts, emails and other forms of communication with individual Subcommittee members. All questions, comments, deliberations and decisions should be stated to the public body as a whole.

A. Roll Call

B. Consent Agenda – Approval of [Meeting Minutes](#) from the Financial Framework Subcommittee meeting on October 31, 2023.

C. Enrollment Trends – Presentation by the Arizona Charter Schools Association and discussion on statewide and charter enrollment trends and what to expect in the coming years. ***(Presentation posted at a later date)***

D. Average Daily Membership Measure – Discussion and possible action on a [proposal to identify large decreases in student enrollment and consider these decreases when assigning the measure ratings](#) on the Financial Performance Framework’s Average Daily Membership measure (“ADM Measure”).

E. ADM Measure Rating Adjustment – Discussion and possible action on the Financial Performance Framework’s provision that provides for a [rating adjustment on the ADM Measure](#) based on charter holders’ performance on the framework’s other measures and on certain recommendations included in the performance audit and sunset review of the Board issued by the Arizona Auditor General in September 2023.

F. Unrestricted Days Liquidity Targets – Discussion and possible action on an [updated proposal that increases, over multiple audit cycles, the number of days liquidity](#) a charter holder must have under the Financial Performance Framework’s Unrestricted Days Liquidity measure and reflects the direction provided by the Subcommittee at its October 31, 2023 meeting.

G. Factors Affecting Days Liquidity – Presentation and discussion on possible options to consider [underlying factors, such as credit lines, advances on state equalization payments and transferring funds between related schools, that may alter charter holders’ performance](#) on the Financial Performance Framework’s Unrestricted Days Liquidity measure.

H. Net Assets Considered under Framework – Discussion and possible action on having the Financial Performance Framework [consider net assets without donor restrictions](#) instead of the current practice of using total net assets and a possible recommendation by the Subcommittee that the Board implement this change, for those charter holders that would be positively affected, with Staff’s review of the fiscal year 2023 audits.

I. Noncash Expenses and Unusual Items – Discussion and possible action on proposed changes to the [definition of “noncash expenses” considered by the Financial Performance Framework’s Adjusted Net Income and Unrestricted Days Liquidity measures and on whether one-time, non-recurring revenues should be removed](#) when determining charter holders’ performance on the framework’s Adjusted Net Income measure.

J. Adjusted Net Income Trends – Presentation and discussion on possible [options for including multiple fiscal years of performance](#) when determining charter holders’ performance on the Financial Performance Framework’s Adjusted Net Income measure.

K. Options to Use Cash Reserves – Presentation and discussion on possible options that would allow charter holders with a solid financial position to [use their cash reserves without being penalized](#) under the Financial Performance Framework’s Adjusted Net Income measure, Lease Adjusted Debt Service Coverage Ratio measure or both.

L. Debt Principal – Presentation and discussion on the [items considered “debt principal” by the Financial Performance Framework’s Lease Adjusted Debt Service Coverage Ratio measure and](#)

[possible options for addressing unique situations](#), such as debt being paid off early or balloon payments.

M. Public Comment Regarding Future Items for Consideration by the Financial Framework Subcommittee

This is the time for the public to comment regarding future items the Subcommittee may consider addressing at a subsequent meeting. Members of the Subcommittee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of comment during this item will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.

N. Summary of Current Events, Future Meeting Dates and Items for Future Agendas – The executive director, presiding officer or a member of the Subcommittee may present a brief summary of current events pursuant to A.R.S. § 38-431.02(K) and may discuss future meeting dates and direct staff to place matters on a future agenda. The Subcommittee will not discuss or take action on any current event summary.

O. Adjournment