

Arizona State Board for Charter Schools
Financial Framework Subcommittee

January 4, 2024
Virtual Meeting
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SUMMARY

Members Present- Wendy Miller- Superintendent Designee (Virtual) Carlos Ruiz- Public Member (Virtual) James Swanson – Business Member (Virtual) Meeting began at 9:07 am	Members Absent- Timothy Stratton – Business Member
Agenda Item A. Roll Call (1:10)	Andrea Leder called the roll and confirmed a quorum.
Agenda Item B. Consent Agenda (1:33)- Approval of Meeting Minutes from the Financial Framework Subcommittee meeting on December 4, 2023.	Wendy Miller made the following motion: <i>I move to approve the consent agenda as presented.</i> Carlos Ruiz seconded the motion. Motion Passed (Aye: Ruiz, Swanson, Miller)
Agenda Item C. Adjusted Net Income Measure (2:43)- Discussion and possible action on a proposal that reflects the changes currently under consideration by the Subcommittee to the Financial Performance Framework's Adjusted Net Income measure , including	Wendy Miller made the following motion: <i>I move that the Adjusted Net Income Measure proposal be incorporated into the Subcommittee's recommendation to the Board using option number two aggregated as presented today and found in the materials for today's meeting and that</i>

possible changes to the formula used for calculating charter holders' performance, the number of years considered when determining charter holders' performance and the current definitions, and the audit cycle(s) the changes will take effect. holders' performance and the current definitions, and the audit cycle(s) the changes will take effect.

the proposal be implemented with the fiscal year 2024 audits.

Carlos Ruiz seconded the motion.

James Swanson made a comment.

Motion Passed

(Aye: Ruiz, Swanson, Miller)

Wendy Miller made the following motion: *I move that, beginning with the fiscal year 2024 audits, the Subcommittee recommends the Financial Performance Framework consider the change in net assets without donor restrictions for all charter holders that are positively affected and with donor restrictions for all charters schools that are positively affected using the separate calculations. The Subcommittee will consider finalizing its recommendation under Agenda Item E on today's agenda. Once approved by the Subcommittee, the recommendation, including the changes to the Adjusted Net Income measure previously identified, will be released for the first opportunity for public comment in accordance with the Board's Procedures for Rule and Policy Adoption.*

Carlos Ruiz seconded the motion.

Motion Passed

(Aye: Ruiz, Swanson, Miller)

Recorded comments are available.

<p>Agenda Item D. Factors Affecting Days Liquidity (53:30)- Discussion and possible action on an updated proposal 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.</p>	<p>Wendy Miller made the following motion: <i>I move that the proposal to consider underlying factors affecting charter holders' days of liquidity, as presented today and found in the materials for today's meeting, be incorporated into the Subcommittee's recommendation to the Board for the Unrestricted Days Liquidity measure with the modifications discussed today to include only the factoring and that the proposal be implemented with the fiscal year 2024 audits. The Subcommittee will consider finalizing its recommendation under Agenda Item E on today's agenda. Once approved by the Subcommittee, the recommendation, including these changes to the Unrestricted Days Liquidity measure, will be released for the first opportunity for public comment in accordance with the Board's Procedures for Rule and Policy Adoption.</i></p> <p>James Swanson seconded the motion.</p> <p>Carlos Ruiz made a comment. Wendy Miller made a comment.</p> <p style="text-align: center;">Motion Passed</p> <p style="text-align: center;">(Aye: Ruiz, Swanson, Miller)</p> <p>Recorded comments are available.</p>
<p>Agenda Item E. Subcommittee's Recommendation (1:16:19)- Discussion and possible action on the Subcommittee's recommendation to the Arizona State Board for Charter Schools regarding changes to the Board's Financial Performance Framework, including its measures, measure targets and measure calculations, and the audit cycle(s) the changes will take effect.</p>	<p>Wendy Miller made the following motion: <i>I move that the Subcommittee accept the proposed changes to the Financial Performance Framework measures and the implementation schedule as presented today and found in the materials for today's meeting, including the changes to the Adjusted Net Income measure and Unrestricted Days Liquidity measure approved by the Subcommittee today under Agenda Items C and D, and recommend that the full Board adopt these changes. Further, I move to direct Staff to solicit public comment on the Subcommittee's recommendation in accordance with the Board's Procedures for Rule and Policy Adoption and to place the matter on the Board's February 12, 2024 agenda, at the earliest, for the second opportunity</i></p>

	<p><i>for public comment and consideration and possible action by the full Board. If the feedback received during the first opportunity for public comment warrants further deliberation by the Subcommittee, I direct Staff to schedule another Subcommittee meeting prior to the recommendation being placed on an agenda for the full Board's consideration.</i></p> <p>Carlos Ruiz seconded the motion.</p> <p>Carlos Ruiz made a comment. James Swanson made a comment.</p> <p style="text-align: center;">Motion Passed</p> <p style="text-align: center;">(Aye: Ruiz, Swanson, Miller)</p> <p>Recorded comments are available.</p>
<p>Agenda Item F. Performance Dashboards (1:27:00)- Update, discussion and possible action on efforts to allow charter representatives to include a brief explanation with each of the performance dashboards in the Board's new online portal.</p>	<p>Recorded comments are available.</p>
<p>Agenda Item G. Public Comment Regarding Future Items for Consideration by the Financial Framework Subcommittee (1:29:42)- 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</p>	

<p>further consideration and decision at a later date.</p>	
<p>Agenda Item H. Summary of Current Events, Future Meeting Dates and Items for Future Agendas (1:30:55)- 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.</p>	<p>Recorded comments are available.</p>
<p>Agenda Item I. Adjournment (1:32:27)</p>	<p>The meeting was adjourned at approximately 12:06pm.</p>