



JUNE 12, 2017

Proposed Revisions to the
Board's Policies

AGENDA ITEM: Proposed Revisions to the Board’s Policies

Issue

The Board’s rulemaking package was approved by the Governor’s Regulatory Review Council (“GRRC”) March 7, 2017 and became effective May 6, 2017. The revisions made to the rules package include Board policies and practices that were previously adopted by the Board; therefore, Board staff is proposing to eliminate the following policy statements:

- Board Notification of Six Months of Non-Compliance
- Eligibility to Apply for Early Renewal of a Charter Contract
- Good Cause Extension to Execute a Charter
- Good Cause Suspension of a Charter
- Technical Review Panel

Policy Statements

After GRRC approved the Board’s rules package, staff reviewed current policies to determine what revisions were needed to align with the new rules. Based on that review, staff identified that a majority of the policies are now detailed in the new rules and can be eliminated. The table below describes which rule the policy is referenced in the Arizona Administrative Code (“A.A.C.”). A copy of the policies and the corresponding rules are located in appendix A.

Policy Title	Reference
Board Notification of Six-Months Non-Compliance	A.A.C. R7-5-605 (C)-(D)
Eligibility to Apply for Early Renewal of a Charter Contract	A.A.C. R7-5-301 (J)-(O)
Good Cause Extension to Execute a New Charter	A.A.C. R7-5-206
Good Cause Suspension of a New Charter	A.A.C. R7-5-207
Technical Review Panel	A.A.C. R7-5-204 (A) & (C)

Board Option

Option 1: The Board may vote to adopt the elimination of the specified policy statements in this report. The following language is provided for your consideration: I move that the Board adopt the elimination of the policy statements, as presented today, concerning:

- Board Notification of Six Months of Non-Compliance,
- Eligibility to Apply for Early Renewal of a Charter Contract,
- Good Cause Extension to Execute a Charter,
- Good Cause Suspension of a Charter, and
- Technical Review Panel.

Option 2: The Board may vote to adopt the elimination to the specified policy statements in this report by adopting the policies with modifications. The following language is provided for your consideration: I move that the Board adopt revisions to the policy statements, as presented today, concerning:

- Board Notification of Six Months of Non-Compliance,
- Eligibility to Apply for Early Renewal of a Charter Contract,
- Good Cause Extension to Execute a Charter,
- Good Cause Suspension of a Charter, and
- Technical Review Panel.

The modifications discussed include: (may require specific references depending upon whether clarification of discussion is needed).



APPENDIX A

POLICY STATEMENT
BOARD NOTIFICATION OF SIX MONTHS OF NON-COMPLIANCE

The Board directs ASBCS staff to bring individual schools that have had state aid withheld for non-compliance for six months to the Board for consideration of an issuance of a Notice of Intent to Revoke the charter.

For schools having state aid withheld for failure to timely submit their annual audit reporting package, the Board directs ASBCS staff to bring the individual schools to the Board after two months of withholding for consideration of an issuance of a Notice of Intent to Revoke the charter.

Historical Note:

Effective: *October 15, 2002*
Board Approval Date: *October 15, 2002*
Revised: *November 27, 2007*

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lic meeting at which the Board will consider whether to restore the charter to acceptable performance or revoke the charter. In making this decision, the Board shall consider all relevant factors including:

1. Whether the charter holder complied fully with the provisions of subsection (C);
 2. Whether the charter holder failed to meet the minimum academic performance expectations based on student achievement measures specified in the Academic Performance Framework;
 3. Whether the charter holder has demonstrated, under R7-5-508, sufficient progress toward achieving the minimum academic performance expectations;
 4. Whether the charter holder meets the minimum financial performance expectations;
 5. Whether the charter holder timely complied with Board requests for information and documents;
 6. Whether the charter holder's historical compliance record indicates repeated or multiple breaches of its charter, other contractual agreements with the Board, federal or state law, or this Chapter; and
 7. Any other factor the Board determines has a bearing on the charter holder's ability or willingness to comply with the provisions of its charter, other contractual agreements with the Board, federal and state law, and this Chapter.
- F.** If the Board decides to restore the charter to acceptable performance, the Board shall enter into a consent agreement with the charter holder as provided under R7-5-606. If the Board decides to revoke the charter, the Board shall issue a notice of intent to revoke the charter as provided under R7-5-607.

Historical Note

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-603. Oversight of Charter Schools Assigned a Letter Grade of "D" by the Department

- A.** Within 30 days after the Department notifies a charter holder under A.R.S. § 15-241 that a charter school operated by the charter holder has been assigned a letter grade of "D," the charter holder shall:
1. Comply fully with A.R.S. § 15-241 by providing written notice to the parents or guardians of all students attending the school. The charter holder shall include the following in the notice:
 - a. The Department has assigned the charter school a letter grade of "D;"
 - b. The charter holder is required under A.R.S. § 15-241.02 to prepare an improvement plan within 90 days after the charter school was assigned a letter grade of "D;" and
 - c. The charter holder is required to present the improvement plan to the Board at a public meeting;
 2. Provide the Board a copy of the notice required under subsection (A)(1);
 3. Provide the Board with a list of the names and mailing addresses of the parents or guardians of all students attending the school; and
 4. Ensure the charter school's public communications that make a statement concerning the charter school's academic performance, including the charter school's web site and promotional materials, accurately describe the charter school's most current academic performance rating assigned by the Department.
- B.** The Board shall require a charter holder that fails to comply fully with subsection (A) to appear before the Board for con-

sideration of the charter holder's noncompliance and may subject the charter holder to additional charter oversight.

- C.** Under A.R.S. § 15-241.02, the Board is required to revoke the charter of a charter school if the Board determines the improvement plan required under subsection (A)(1)(b) was not properly implemented.

Historical Note

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-604. Civil Penalty for Fingerprinting Violation

- A.** After identifying a violation of A.R.S. §§ 15-183, 15-512 or both, Board staff shall provide the charter holder with written notice of noncompliance with statutory fingerprinting requirements and the date, time, and location of the Board meeting at which the Board will consider whether to impose a civil penalty under A.R.S. § 15-185.
- B.** If the Board determines a charter holder has failed to comply with the statutory fingerprinting requirements in A.R.S. §§ 15-183 or 15-512, the Board may impose a civil penalty of \$1,000 per occurrence as provided under A.R.S. § 15-185.
- C.** Within 30 days after a civil penalty is imposed under subsection (B), the charter holder may submit to the Board a written appeal of the civil penalty. The charter holder shall include the following information in the written appeal:
1. Name and address of the appellant;
 2. Concise statement of the reason for the appeal;
 3. Relief sought; and
 4. If the appellant will be represented by an attorney, the attorney's name, address, and telephone number.
- D.** The Board shall hold a hearing to consider the appeal within 60 days after receiving the appeal.

Historical Note

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-605. Withholding State Funds

- A.** Under A.R.S. § 15-185, if the Board determines at a public meeting that a charter holder is not in compliance with its charter or federal or state law, the Board may request the Department to withhold up to 10 percent of the charter holder's monthly apportionment of state aid.
- B.** If the Board decides to request that the Department withhold part of the charter holder's monthly apportionment of state aid, the Board shall provide written notice to the charter holder. The Board shall include the following in the notice:
1. The reason the withholding is being imposed,
 2. The percentage of the charter holder's monthly apportionment of state aid to be withheld,
 3. The date on which the withholding will begin, and
 4. Actions required by the charter holder before the full amount of state aid is restored.
- C.** If a percentage of the charter holder's monthly apportionment of state aid is withheld for six months and the charter holder has not completed the actions required under subsection (B)(4), the Board shall consider the charter holder's noncompliance and may subject the charter holder to additional charter oversight including issuing a notice of intent to revoke under R7-5-607.
- D.** If a percentage of the charter holder's monthly apportionment of state aid is withheld for failure to submit an audit for two months, the Board shall consider the charter holder's noncompliance and may subject the charter holder to additional charter oversight including issuing a notice of intent to revoke under R7-5-607.

Eligibility to Apply for Early Renewal of a Charter Contract Policy Statement

A.R.S. § 15-183(I)(2) allows a charter operator to apply for early renewal.

- At least nine months before the charter school's intended renewal consideration, the operator of the charter school shall submit a letter of intent to the sponsor to apply for early renewal.
- The sponsor shall review fiscal audits and academic performance data for the charter school that are annually collected by the sponsor, review the current contract between the sponsor and the charter school and provide the qualifying charter school with a renewal application.
- On submission of a complete application, the sponsor shall give written notice of its consideration of the renewal application.

Board Policy:

A charter holder may submit a letter of intent to apply for early renewal to the Board. Within 15 business days of receipt of a charter holder's timely letter of intent to apply for early renewal, the Board shall review those items described in statute to determine whether the applicant is eligible to apply for early renewal and provide qualified charter holders with an early renewal application.

An applicant qualifies to apply for early renewal if:

- The request is submitted at least 24 months prior to the charter expiration date;
- The applicant has been operating schools under the charter for at least five years;
- The applicant meets the Board's Academic Performance Expectations as defined in the Academic Performance Framework and Guidance;
- The applicant is waived from submitting the Detailed Business Plan Section of the renewal application because:
 - The applicant meets the Board's Financial Performance Expectations, and
 - The applicant's officers, directors, members and partners as identified in information publicly available through the Arizona Corporation Commission align with those identified in the charter contract; and
- Within the last 3 years, the applicant did not have any compliance matters that required action by the Board or other government agencies; or when an Operational Performance Dashboard is available, the applicant meets the Operational Performance Expectations.

An applicant who is eligible to apply for early renewal shall submit the early renewal application no later than 1 month after the charter holder receives notification of its eligibility to apply for early renewal.

An applicant must continue to meet the eligibility requirements identified in this policy up to and until the Board has considered the Application for Early Renewal. If the applicant's eligibility status changes prior to the Board's consideration of the application, the Board shall not consider the application.

An applicant who does not meet the requirements of this policy may resubmit a letter of intent to apply for early renewal at any time prior to the early renewal deadline and the Board shall reevaluate the applicant's eligibility to apply for early renewal.

Historical Note:

Effective: April 14, 2014

Board Approval Date: April 14, 2014

Revised: April 13, 2015

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renewal or early renewal application package. The charter holder shall attend the Board meeting.

- D. At least 18 months before a charter is scheduled to expire, the Board shall provide the charter holder with a renewal application that is customized based on the charter holder's performance history. The Board shall require a charter holder that does not meet the performance expectations specified in Article 4 to submit more information than a charter holder that does meet the performance expectations.
- E. As required under A.R.S. § 15-183(I), a charter holder that intends to seek renewal of the charter shall submit to the Board a renewal application package at least 15 months before the charter is scheduled to expire.
- F. The Board shall not consider a renewal application package that is not submitted by the date specified in subsection (E).
- G. As part of the charter renewal process, Board staff shall conduct an academic-systems-review site visit, as described in R7-5-506, of the charter holder.
- H. The Board shall notify a charter holder of the Board's decision to renew or deny renewal of the charter at least 12 months before the charter is scheduled to expire.
- I. As specified under A.R.S. § 15-183(I), the Board may deny renewal of a charter if the Board determines the charter holder failed to meet or make sufficient progress toward the academic performance expectations or failed to meet the operational performance expectations specified in Article 4, complete the obligations of the charter, or comply with federal or state law or this Chapter. If the Board denies renewal of a charter, Board staff shall provide written notice to the charter holder that includes the information required under A.R.S. § 41-1092.03(A).
- J. A charter holder is eligible to apply for early renewal of the charter if the charter holder:
 1. Submits to the Board a letter of intent to apply for early renewal at least 24 months before the charter is scheduled to expire;
 2. Has operated a school under the charter for at least five years;
 3. Meets the performance expectations specified in Article 4; and
 4. Had no compliance matters within the last three years that required action by the Board or other governmental entity.
- K. Within 15 days after receiving a letter of intent to apply for early renewal under subsection (J)(1), Board staff shall provide written notice to the charter holder of whether the charter holder is eligible to apply for early renewal and, if eligible, shall provide the charter holder with the renewal application referenced in subsection (D).
- L. A charter holder that receives notification under subsection (K) of eligibility to apply for early renewal shall submit to the Board the early renewal application package no later than one month after the charter holder receives notification under subsection (K).
- M. A charter holder applying for early renewal shall continue to meet the eligibility requirements specified in subsection (J) until the Board considers the early renewal application package at the Board meeting referenced under subsection (C). The Board shall not consider an early renewal application package submitted by a charter holder that has a change in eligibility status.
- N. Within three months after a charter holder timely submits an early renewal application package, Board staff shall conduct an academic-systems-review site visit, as described in R7-5-506, of the charter holder and shall place the charter holder's

early renewal application package on an agenda for Board consideration.

- O. As specified under A.R.S. § 15-183(I)(2), the Board may deny early renewal of a charter if the Board determines the charter holder failed to meet or make sufficient progress toward the academic performance expectations or failed to meet the operational performance expectations specified in Article 4, complete the obligations of the charter, or comply with federal or state law or this Chapter. If the Board denies early renewal of a charter, Board staff shall provide written notice to the charter holder that includes the information required under A.R.S. § 41-1092.03(A).

Historical Note

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-301 renumbered to R7-5-501; new Section R7-5-301 made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-302. Charter Transfer Application

- A. A charter transfer application may be used to do either of the following:
 1. Transfer a charter to the Board; or
 2. Transfer a charter school that has operated under an existing charter for at least three years to its own charter with the same educational program and financial and operational processes.
- B. The Board shall make available on its web site instructions regarding eligibility and submission requirements for transfers specified under subsection (A).
- C. A charter holder that intends to transfer as specified under subsection (A) shall submit to the Board a letter of intent to transfer.
- D. Within 15 days after receiving a letter of intent to transfer, Board staff shall provide written notice to the charter holder of whether the charter holder may apply for transfer.
- E. A charter holder eligible to transfer under subsection (D) shall submit to the Board a paper charter transfer application package until electronic submission through ASBCS Online is available. After electronic submission through ASBCS Online is available, the Board shall not accept a paper submission.
- F. For a transfer to occur on July 1, a charter holder shall submit the letter of intent to transfer by the last business day of November of the prior fiscal year and the transfer application package by the last business day of February of the prior fiscal year.
- G. The Board shall provide the charter holder at least 72-hours' written notice of the date, time, and location of the Board meeting at which the Board will consider the charter holder's transfer application package. The charter holder shall attend the Board meeting.
- H. As required under A.R.S. § 41-1073, the Board establishes the following time frames for approving or disapproving a charter transfer:
 1. Administrative review time frame: 15 days;
 2. Substantive review time frame: 60 days; and
 3. Overall time frame: 75 days.

Historical Note

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-302 renumbered to R7-5-510; new Section R7-5-302 made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-303. Charter Amendment Requests

Good Cause Extension to Execute a Charter Policy Statement

The Applicant Agreement Information cover page of the application acknowledges that if approved to operate a charter school, the applicant must execute a charter contract with the Arizona State Board for Charter Schools (“Board”) within twelve months after the Board decides to grant the charter. A charter that is not timely signed expires.

Before the expiration of the Board's decision to grant a new charter, an applicant who has not yet executed the charter may submit a written one-time request for a good cause extension to execute the charter.

Submission Requirements

The written request for a good cause extension of the execution must include:

1. An explanation with evidence of why the applicant is unable to implement the plans contained in their application package and execute the charter within the allotted 12 months;
2. An explanation of the applicant’s new timeline for implementing the plans contained in the application package, and why the timeline is viable and adequate for achieving the proposed start-up date of the school and appropriate for operating a charter school in accordance with the performance frameworks adopted by the Board and requirements of statute and rule; and
3. Clear and specific action steps with target completion dates that will enable the applicant to implement the plans contained in the application package in accordance with the timeline in item 2 above.

Board Consideration

The Board may grant a one-time good cause extension of the execution of a charter if an applicant demonstrates good cause. When considering a request for good cause extension of the execution of the charter contract, the Board shall consider:

1. The timeliness of the submission of the request and the proposed extension date;
2. The viability of the applicant's new timeline for implementing the plans contained in the application package;
3. Whether the new timeline provided by the applicant is adequate to begin providing educational instruction as required and complies with the plans contained in the application package;
4. Unforeseen circumstances affecting the applicant's ability to execute the charter within the allotted 12 months;
5. Whether there have been changes in the principals of the applicant; and
6. The status of compliance with all applicable federal, State and local laws, and with all of the terms of a charter.

If the Board grants a one-time good cause extension of the execution of the charter, the Board shall specify the date by which the applicant shall execute the charter and begin the first day of operation of the charter school based on the timeline provided by the applicant and the requirements in Rule.ⁱ If the applicant does not execute the charter by the specified date, the Board's decision to grant the charter shall expire.

The Board shall not grant more than one good cause extension to any applicant for the same charter.

Historical Note:

Effective: April 12, 2004

Board Approval Date: April 12, 2004

Revised: December 9, 2013

ⁱ As provided in pending revisions to Rule including the provision that, "A charter holder who is granted a good cause extension to execute a charter shall begin providing educational instruction no later than the third fiscal year after the Board's decision to grant the charter."

Good Cause Suspension of a Charter Policy Statement

The Applicant Agreement Information cover page of the application acknowledges that if approved to operate a charter school, the charter holder must begin providing educational instruction no later than the second fiscal year after the Board's decision to grant the charter. Failure to begin providing educational instruction accordingly may result in the revocation of the charter.

Before the first day of the fiscal year that a charter holder must begin providing educational instruction, an eligible charter holder of a not-yet-operational charter may submit to the Board a written request for a good cause suspension of a charter.

Eligibility Requirements:

A charter holder is eligible to apply for a good cause suspension of a charter if:

1. The charter holder has not been granted a good cause extension to execute a charter, and
2. The charter holder has not begun providing educational instruction under the charter, and
3. The charter holder has not received or has returned state equalization and other state or federal funding for which provision of instruction is a requirement of receipt.

Submission Requirements

The written request for a good cause suspension of a charter must include:

1. An explanation with evidence of why the charter holder is unable to implement the plans contained in their application package and begin providing educational instruction within the allotted time;
2. An explanation of the charter holder's new timeline for implementing the plans contained in the application package, and why the timeline is viable and adequate for achieving the proposed start-up date of the school and appropriate for operating a charter school in accordance with the performance frameworks adopted by the Board and requirements of statute and rule; and
3. Clear and specific action steps with target completion dates that will enable the charter holder to implement the plans contained in the application package in accordance with the timeline in item 2 above.

Board Consideration

The Board may grant a one-time good cause suspension of a charter if a charter holder demonstrates good cause. When considering a request for good cause extension of the execution of the charter contract, the Board shall consider:

1. The timeliness of the submission of the request and the proposed extension date;
2. The viability of the charter holder's new timeline for implementing the plans contained in the application package;
3. Whether the new timeline provided by the charter holder is adequate to begin providing educational instruction as required and complies with the plans contained in the application package;
4. Unforeseen circumstances affecting the charter holder's ability to begin providing educational instruction within the allotted time;
5. Whether there have been changes in the principals of the charter holder; and
6. The status of compliance with all applicable federal, State and local laws, and with all of the terms of the charter.

If the Board grants a one-time good cause extension of the execution of the charter, the Board will specify the date by which the charter holder shall begin providing educational instruction based on the timeline provided by the charter holder and the requirements in Rule.¹ A charter holder who is granted a one-time good cause suspension of a charter may execute and submit an amendment to the charter indicating a new effective date that conforms to the date on which the charter holder will begin providing educational instruction. If the charter holder does not begin providing educational instruction by the date specified by the Board, the Board will issue a notice of intent to revoke the charter.

A charter holder who is granted a one-time good cause suspension of a charter must not apply to receive any state or federal funding for which provision of instruction is a requirement of receipt until the fiscal year in which the charter holder plans to begin providing educational instruction and must return any such funding received prior to that fiscal year.

The Board shall not grant more than one good cause suspension of a charter to any charter holder for the same charter.

Historical Note:

Effective: November 15, 2004

Board Approval Date: November 15, 2004

Revised: December 9, 2013

¹ As provided in pending revisions to Rule including the provision that, "A charter holder who is granted a good cause suspension of a charter shall begin providing educational instruction no later than the third fiscal year after the Board's decision to grant the charter."

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- the Department or online at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;
2. The following information for each charter school approved for educational use:
 - a. Certificate of occupancy; and
 - b. Fire marshal report; or
 - c. If either the certificate of occupancy or fire marshal report is not available, a completed Occupancy Compliance Assurance and Understanding form obtained from the Board;
 3. A completed General Statement of Assurances form obtained from the Department;
 4. A statement indicating where all public notices of meetings will be posted as required under A.R.S. § 38-431.02; and
 5. A copy of the lease agreement or other documentation of a secured charter school facility for each charter school.
- B.** The Board President or designee and authorized representative of the applicant shall sign the charter within 12 months after the Board's decision to grant the charter.
1. If the charter is not timely signed, the Board's decision to grant the new charter expires unless the applicant applies for and is granted a good-cause extension to execute the charter under R7-5-206.
 2. If an applicant that is granted a new charter but does not timely sign the charter and does not obtain a good-cause extension wants to obtain a new charter, the applicant shall apply again under R7-5-201 in a later annual application cycle.
- C.** A charter holder shall begin providing educational instruction no later than the second fiscal year after the Board's decision to grant the charter unless the charter holder is granted a good-cause extension to execute a charter under R7-5-206 or good-cause suspension of a charter under R7-5-207.
1. A charter holder that is granted a good-cause extension to execute a charter under R7-5-206 or good-cause suspension of a charter under R7-5-207 shall begin providing educational instruction no later than the third fiscal year after the Board's decision to grant the charter.
 2. If a charter holder does not begin providing educational instruction as required under subsection (C) or (C)(1), the Board shall issue the charter holder a notice of intent to revoke the charter in accordance with A.R.S. § 15-183(I).
- D.** At least 10 days before beginning to provide educational instruction, a charter holder shall submit to the Board the following written proof that the charter school is in compliance with federal, state, and local laws relating to health, safety, civil rights, and insurance:
1. Charter school contact information;
 2. Insurance policy binder issued by an insurance company licensed to do business in Arizona;
 3. County health certificate for each charter school at which students will be taught;
 4. Evidence of a public meeting, required by A.R.S. § 15-183(C)(7), at least 30 days before the charter holder opens a charter school;
 5. Certificate of attendance of the charter representative or principal at the special education training for new charters offered by the Department; and
 6. Any other documents required to demonstrate compliance with federal, state, and local laws relating to health, safety, civil rights, and insurance.
- E.** If a charter holder submitted an Occupancy Compliance Assurance and Understanding form under subsection (A)(2), the Board shall not advise the Department to initiate state aid funding until Board staff determines the required certificate of occupancy and fire marshal report submissions are complete and sufficient.
- F.** A new charter is effective upon signing by both parties for 15 years beginning on the date stated in the charter, unless revoked under A.R.S. § 15-183(I).
- Historical Note**
- New Section R7-5-205 renumbered from R7-5-204 and amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).
- R7-5-206. Good-cause Extension to Execute a New Charter**
- A.** Before the Board's decision to grant a new charter expires under R7-5-205(B), an applicant that has not yet executed the charter may submit to the Board a written request for a good-cause extension to execute a charter. The applicant shall ensure the written request for a good-cause extension to execute a charter:
1. Explains and provides evidence of why the applicant is unable to implement the plans contained in the application package and execute the charter within the allotted 12 months;
 2. Explains the applicant's new timeline for implementing the plans contained in the application package and why the new timeline is viable and adequate to enable the applicant to execute the charter by the new timeline; and
 3. Provides clear and specific action steps with target completion dates that will enable the applicant to implement the plans contained in the application package in accordance with the new timeline and the requirements of R7-5-205(C)(1).
- B.** The Board shall grant a good-cause extension to execute a charter if an applicant demonstrates good cause. When deciding whether the applicant demonstrates good cause, the Board shall consider:
1. The timeliness of the request for a good-cause extension and the proposed extension date;
 2. The viability of the applicant's new timeline for implementing the plans contained in the application package;
 3. Whether the new timeline is adequate to begin providing educational instruction as required under R7-5-205(C)(1) and complies with the plans contained in the application package;
 4. The circumstances the applicant indicates affected the applicant's ability to execute the charter within the allotted 12 months;
 5. Whether there have been changes in the principals of the applicant; and
 6. The extent to which the applicant is in compliance with all applicable federal, state, and local laws.
- C.** The Board shall not grant more than one good-cause extension to execute a particular charter.
- D.** If the Board grants a good-cause extension to execute a charter, the Board shall specify the date by which the applicant shall execute the charter and begin providing educational instruction based on the timeline provided by the applicant and the requirements of R7-5-205(C)(1). If the applicant does not execute the charter by the specified date, the Board's decision to grant the charter expires.
- Historical Note**
- Section R7-5-206 made by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).
- R7-5-207. Good-cause Suspension of a New Charter**

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- A. Before the first day of the fiscal year in which a charter holder must begin providing educational instruction, the charter holder, if eligible under subsection (B), may submit to the Board a written request for a good-cause suspension of the charter.
- B. A charter holder is eligible to apply for a good-cause suspension of the charter if:
 1. The charter holder has not been granted a good-cause extension to execute the charter,
 2. The charter holder has not begun providing educational instruction under the charter, and
 3. The charter holder has not received or has returned state equalization or other state or federal funding for which provision of instruction is a requirement of receipt.
- C. The charter holder shall ensure the written request for a good-cause suspension of a charter:
 1. Explains and provides evidence for why the charter holder is unable to implement the plans contained in the application package and begin providing educational instruction as required under R7-5-205(C);
 2. Explains the charter holder's new timeline for implementing the plans contained in the application package and why the new timeline is viable and adequate to enable the charter holder to operate a charter school in accordance with the charter and performance expectations established by the Board; and
 3. Provides clear and specific action steps with target completion dates that will enable the charter holder to implement the plans contained in the application package in accordance with the new timeline and the requirements of R7-5-205(C)(1).
- D. The Board shall grant a good-cause suspension of a charter if the charter holder demonstrates good cause. When deciding whether the charter holder demonstrates good cause, the Board shall consider:
 1. Whether the charter holder is eligible under subsection (B) for a good-cause suspension of a charter;
 2. The timeliness of the request for a good-cause suspension of a charter and the proposed extension date;
 3. The viability of the charter holder's new timeline for implementing the plans contained in the application package;
 4. Whether the new timeline is adequate to begin providing educational instruction as required under R7-5-205(C)(1) and complies with the plans contained in the application package;
 5. The circumstances the charter holder indicates affected the charter holder's ability to begin providing educational instruction as required under R7-5-205(C);
 6. Whether there have been changes in the principals of the charter holder; and
 7. The extent to which the charter holder is in compliance with all applicable federal, state, and local laws and terms of the charter.
- E. The Board shall not grant more than one good-cause suspension of a particular charter to any charter holder.
- F. A charter holder granted a good-cause suspension of the charter shall not apply to receive any state equalization or other state or federal funding for which provision of instruction is a requirement of receipt until the fiscal year in which the charter holder plans to begin providing educational instruction. The holder of a suspended charter shall promptly return any funding it receives before the fiscal year in which it begins providing educational instruction.
- G. A charter holder granted a good-cause suspension of a charter shall begin providing educational instruction as required by

R7-5-205(C). If a charter holder does not begin providing educational instruction as required, the Board shall issue the charter holder a notice of intent to revoke the charter in accordance with A.R.S. § 15-183(I).

Historical Note

Section R7-5-207 made by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-208. Application for Replication Charter

- A. The charter holder of an existing high quality charter school may be eligible to apply for a replication charter rather than a new charter. A replication charter allows the charter holder to implement the existing educational program, corporate and governance structure, and financial and operational processes at a new charter school.
- B. A charter holder that wishes to apply for a replication charter shall submit to the Board a Replication Eligibility form. Board staff shall review the form and determine whether the charter holder is eligible to apply for a replication charter. A charter holder is eligible to apply for a replication charter if the charter holder is in compliance with provisions of its charter, contractual agreements with the Board, federal and state law and this Chapter, and meets the academic eligibility requirements specified in the replication application instructions, which are publicly available and posted on the Board's web site.
- C. Within 15 days after receiving a Replication Eligibility form, Board staff shall provide written notice to the charter holder of whether the charter holder may apply for a replication charter and, if eligible, shall make the replication application available to the charter holder.
- D. If a charter holder submits an application package for a replication charter by the last business day of September, Board staff shall process the application package in an expedited manner and ensure the application package is considered at the Board's meeting in November.
- E. As required under A.R.S. § 41-1073, the Board establishes the following time frames for approving or disapproving a replication charter:
 1. Administrative review time frame: 15 days;
 2. Substantive review time frame: 50 days; and
 3. Overall time frame: 65 days.
- F. The provisions at R7-5-205(A), regarding execution of a new charter, apply to a replication charter.
- G. R7-5-206, regarding a good-cause extension to execute a new charter, and R7-5-207, regarding good-cause suspension of a new charter, do not apply to a replication charter.

Historical Note

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

ARTICLE 3. POST-CHARTER ACTIONS**R7-5-301. Application for Charter Renewal; Early Renewal of Charter**

- A. The Board shall make available on its web site instructions regarding eligibility and submission requirements for renewal and early renewal of a charter.
- B. A charter holder shall submit to the Board electronically through ASBCS Online the renewal application package identified in subsection (E) or the early renewal application package identified in subsection (L). The Board shall not accept a paper submission.
- C. The Board shall provide the charter holder at least 72-hours' written notice of the date, time, and location of the Board meeting at which the Board will consider the charter holder's



Technical Review Panel Policy Statement

The purpose of the policy is to outline the responsibilities of the Technical Review Panel as it relates to the evaluation process of the Board's new charter application.

Background

The mission of the Board is to improve public education by sponsoring charter schools that provide quality educational choices. In order to achieve that mission, the Board seeks to approve high-quality new charter applications through a rigorous application decision-making process and establishing application Technical Review Panels ("TRP") responsible for applying rigorous criteria to provide objective, merit-based analysis for a new charter application.

Policy

Definitions

Pursuant to Arizona Administrative Code ("A.A.C.") R7-5-101:

"Technical Review Panel" means individuals approved by the Executive Director of the Board who use their expertise in charter school development, curriculum, and finance to assist the Executive Director by conducting a preliminary evaluation of an application package."

"Application package" means an application form, narratives, and documents, including exhibits and attachments submitted by an applicant or charter holder.

Process

TRP responsibilities pursuant to A.A.C. R7-5-204:

- Each TRP reviewer shall score each assigned application package individually using the evaluation criteria provided in the application.
- After the application package has been scored individually, the TRP assigned to each application package will meet and provide a consensus score for each evaluation criterion.
- The consensus scores are compiled by the TRP into a scoring rubric.
- If the application package fails to meet the Board's requirements, the TRP will include comments in the scoring rubric, which will serve as technical assistance for improving the application package.
- All reviewers of the TRP will participate in the in-person capacity interview.

Historical Note:

Effective: June 8, 2009

Board Approval Date: June 8, 2009

Revised Date: March 31, 2017

(Supp. 17-1).

R7-5-203. Time Frames for Granting or Denying a New Charter

- A.** For granting or denying a new charter, the time frames are:
1. Administrative completeness review time frame: 25 days;
 2. Substantive review time frame: 175 days; and
 3. Overall time frame: 200 days.
- B.** An applicant for a new charter shall submit to the Board an administratively complete application package by the submission deadline. An application package is complete if:
1. The application package is from the current application cycle;
 2. The application package contains all the information, materials, documents, attachments, signatures, and notarizations identified in the application;
 3. All the application package's components are formatted as required;
 4. All curriculum samples address the required standard;
 5. All templates are unmodified and completed; and
 6. The application processing fee required under R7-5-202 is paid.
- C.** The administrative completeness review time frame listed in subsection (A)(1) begins the day after the Board receives an application package.
- D.** If an application package is administratively complete, Board staff shall send the applicant a written notice of administrative completeness.
- E.** If an application package is administratively incomplete, Board staff shall:
1. Send the applicant a written notice of deficiency that states the reasons the application package is administratively incomplete;
 2. Administratively close the applicant's file; and
 3. Refund the new charter application processing fee paid under R7-5-202.
- F.** If an applicant receives a written notice of deficiency under subsection (E) and if the submission deadline has not yet passed, the applicant may correct the deficiencies in the administratively incomplete application package and submit a new application package in the same annual application cycle by complying with R7-5-201.
- G.** If an applicant receives a written notice of deficiency under subsection (E) and believes the application package was erroneously designated as administratively incomplete, the applicant may submit a written request for reconsideration to the Board within 10 days after the date of the notice of deficiency.
- H.** An applicant that submits a written request for reconsideration under subsection (G) shall ensure the request:
1. Contains a clear statement indicating how the previously submitted application package fulfilled each of the requirements identified as deficient; and
 2. Has no new or additional information, documents, or materials included or attached.
- I.** Within 10 days after receiving a request for reconsideration, Board staff shall review the request and:
1. Determine whether the request complies with the requirements in subsection (H) and if not, send the applicant written notice the request was not submitted properly and the applicant's file remains closed;
 2. If Board staff determines the application package was erroneously designated as administratively incomplete, reopen the applicant's file and send the applicant a written notice of administrative completeness; or
 3. If Board staff determines the application package was correctly designated as administratively incomplete, send

the applicant written notice the applicant's file remains closed.

- J.** If Board staff does not provide a notice of deficiency or administrative completeness to the applicant within the administrative completeness review time frame, the application package is deemed administratively complete.
- K.** The substantive review time frame listed in subsection (A)(2) begins when an application package is determined to be administratively complete. Board staff shall ensure the substantive review is conducted according to R7-5-204.
- L.** Within the time provided in subsection (A)(3), Board staff shall provide the applicant with written notice of the Board's decision to grant or deny a charter.
1. The Board shall deny a charter if the Board determines the application package does not meet the requirements of statute or rule or the applicant is not sufficiently qualified to operate a charter school. Board staff shall include in the written notice the basis for the denial and other information required under A.R.S. § 41-1092.03. An applicant that receives a notice of denial may:
 - a. Submit a new application package under R7-5-201 in a later annual application cycle; or
 - b. Appeal the Board's decision under A.R.S. Title 41, Chapter 6, Article 10.
 2. The Board shall grant a charter if it determines that the application package meets the requirements of statute and rule and the applicant is sufficiently qualified to operate a charter school.

Historical Note

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Section R7-5-203 renumbered to Section R7-5-204; new Section R7-5-203 renumbered from R7-5-202 and amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-204. Review of Administratively Complete Application Package for a New Charter, Technical Assistance, and In-person Interview

- A.** The Board shall ensure an administratively complete application package for a new charter is reviewed as follows:
1. The Technical Review Panel shall score an application package using the evaluation criteria identified in the application to determine whether the application package meets the Board's requirements.
 2. The Technical Review Panel shall assign an application package a score of "Meets the Criteria," "Approaches the Criteria," or "Falls below the Criteria" for each evaluation criterion.
 - a. The Technical Review Panel shall score an evaluation criterion "Meets the Criteria" when the application section within which that evaluation criterion is identified:
 - i. Addresses the evaluation criterion fully with specific and accurate information;
 - ii. Reflects a thorough understanding of the evaluation criterion; and
 - iii. Is clear and coherent.
 - b. The Technical Review Panel shall score an evaluation criterion "Approaches the Criteria" when the application section within which that evaluation criterion is identified:
 - i. Addresses the evaluation criterion partially or lacks specific and accurate information for some aspect of the evaluation criterion;

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- ii. Presents a partial understanding of the evaluation criterion; or
 - iii. Is not clear and coherent.
 - c. The Technical Review Panel shall score an evaluation criterion "Falls below the Criteria" when the application section within which that evaluation criterion is identified fails to address the evaluation criterion.
- 3. An application package meets the Board's requirements if:
 - a. No evaluation criterion is scored "Falls below the Criteria;"
 - b. No more than one evaluation criterion in each application section is scored "Approaches the Criteria;" and
 - c. At least 95 percent of the evaluation criteria in the educational plan, operational plan, and business plan is scored "Meets the Criteria."
- B.** Board staff shall conduct a background and credit check of each principal and authorized representative of the applicant and determine whether each principal and authorized representative possesses a valid fingerprint clearance card issued by the State of Arizona. If an issue arises during the background and credit check of any principal or authorized representative, Board staff shall provide the principal or authorized representative written notice of the issue and an opportunity to provide a written response addressing the issue. The Board shall consider information obtained from the background and credit check when making the decision to grant or deny a new charter.
- C.** If an application package fails to meet the Board's requirements specified under subsection (A)(3), Board staff shall provide written notice to the applicant. Board staff shall include in the notice:
 - 1. The reasons the application package failed to meet the Board's requirements;
 - 2. Comments of the Technical Review Panel, which will serve as technical assistance and suggestions for improving the application package; and
 - 3. The options specified under subsection (D).
- D.** If an applicant receives notice under subsection (C), the applicant may, within 20 days of the date of notice, submit to the Board:
 - 1. A revised application package, or
 - 2. A written request that the previously submitted and scored application package be forwarded to the Board.
- E.** If an applicant that receives notice under subsection (C) fails to act under subsection (D), Board staff shall close the applicant's file. An applicant whose file is closed and wants to obtain a new charter shall apply again under R7-5-201 in a later annual application cycle.
- F.** If an applicant submits a revised application package under subsection (D), the Technical Review Panel shall score the revised application package as specified under subsection (A). If the revised application package fails to meet the Board's requirements as specified under subsection (A)(3), Board staff shall provide written notice to the applicant of the intent to close the file. Board staff shall include with the notice the comments of the Technical Review Panel.
- G.** An applicant that receives notice under subsection (F) may, within 20 days after the date of notice, submit a written request that the revised application package be forwarded to the Board. If a written request is not submitted, Board staff shall close the applicant's file. An applicant whose file is closed and wants to obtain a new charter shall apply again under R7-5-201 in a later annual application cycle.
- H.** At least 30 days before the last Board meeting before the substantive review time frame expires, and within 90 days after determining an application package meets the Board's requirements under subsection (A)(3) or receiving an applicant's request under subsection (D)(2) or (G), the principals and authorized representative of the applicant shall make themselves available for an in-person interview with two or more members of the Technical Review Panel. In the interview, the members of the Technical Review Panel shall assess:
 - 1. The applicant's understanding of the components presented in the application package;
 - 2. The applicant's capacity to implement a plan to operate a charter school in accordance with the performance expectations established by the Board;
 - 3. The applicant's clarification of any issue revealed in the course of the due diligence process for the applicant any principal, authorized representative, or Education Service Provider; and
 - 4. Any other factor relevant to determining whether the applicant is sufficiently qualified to operate a charter school.
- I.** Board staff shall provide an applicant with at least seven days written notice of the date, time, and place of the meeting at which the Board will consider the applicant's application package and determine whether to grant or deny a new charter to the applicant. The Board shall use the following information to determine whether the applicant is sufficiently qualified to operate a charter school:
 - 1. The application package;
 - 2. The scoring rubric completed by the Technical Review Panel;
 - 3. The results of the in-person interview of the applicant's principals and authorized representative;
 - 4. Information obtained through investigation and verification of the employment, experience, and education backgrounds, fingerprint clearance card, and creditworthiness of each principal and authorized representative of the applicant;
 - 5. Information concerning any current or former charter operations for any principal, authorized representative, or Education Service Provider of the applicant;
 - 6. Board staff report; and
 - 7. Testimony presented at the Board meeting.
- J.** After the Board meeting held under subsection (I), Board staff shall provide written notice to the applicant regarding the Board's decision to grant or deny a new charter to the applicant. If the Board denies a new charter to the applicant, the Board shall include the information required under A.R.S. § 41-1092.03 in the written notice.

Historical Note

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Amended by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-204 renumbered to Section R7-5-205; new Section R7-5-204 renumbered from R7-5-203 and amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

R7-5-205. Execution of a New Charter

- A.** After the Board decides to grant a new charter but before the charter is signed, the applicant shall submit to the Board the following:
 - 1. A completed I.R.S. Form W-9, Request for Taxpayer Identification Number and Certification, obtained from