

## AGENDA ITEM EXECUTIVE SUMMARY: Proposed Revisions to the Enrollment Cap Amendment Process When Construction is Not Complete.

### Issue

At the November 2017 Board meeting, staff presented substantive changes to the Enrollment Cap Amendment Request (“ECAP”) to allow a charter holder to be considered by the Board for a request to increase its enrollment cap before new construction is completed. After the Board approved the changes presented, the Board requested this item be reconsidered during its December meeting.

### Background

The Board, at its November 2017 meeting, voted to approve changes to the enrollment cap request criteria to allow additional flexibility for charters requesting an enrollment cap increase prior to the completion of construction. Prior to this vote, when requesting an enrollment cap increase, the charter holder had to provide a Certificate of Occupancy or Fire Marshal’s Inspection Report approved for educational use prior to Board consideration; therefore, all requests without this documentation would be deemed incomplete based on the approved criteria. Ultimately, the Board could not approve an enrollment cap request until the construction was complete.

A charter holder may now request approval for an enrollment cap request prior to the completion of construction if an Occupancy Compliance Assurance and Understanding form is signed and additional documentation is provided to indicate that, with the new construction, the charter will have the capacity to instruct the number of students being requested. However, the Board would require the new construction to be approved for educational use before payment is issued for the additional number of students requested in the ECAP.

The Board requested this item be reconsidered during its December meeting to gather additional stakeholder input and determine whether payment be held for just the additional number of students requested in the ECAP or for the school’s total enrollment.

### Proposal

Staff’s recommended solution is intended to allow charter holders to request an enrollment cap increase prior to the completion of construction, ensure safety for all students, and to address concerns raised at the November 2017 meeting pertaining to payment for schools.

Board staff recommends that if a charter holder submits an enrollment cap request in which construction is not complete, that the Board approve the enrollment cap increase contingent upon the charter holder providing a Certificate of Occupancy and Fire Marshal’s report approved for educational use for the new construction within the requested fiscal year. To clarify, the charter’s enrollment cap increase is not in effect, the charter contract will not be updated, and the Arizona Department of Education will not be notified of the increased enrollment cap until the charter holder provides the Certificate of Occupancy and Fire Marshal’s report approved for educational use for the additional enrollment. Therefore, the charter contract will only be updated with the additional enrollment and the charter will only receive payment for the additional increase of students once the required documentation is provided to Board staff. The conditional approval will be for the fiscal year requested. If the charter holder does not provide the required documentation within the fiscal year in which the ECAP was requested to go into effect, then the charter holder will have to resubmit an enrollment cap request to the Board for its approval.

Board staff will update the enrollment cap criteria based on what was voted on at the November 21, 2017 Board meeting to make clear that the Board may approve the enrollment cap request, but approval is contingent upon the required documentation being provided to Board staff during the fiscal year in which the enrollment cap is to go into effect.

