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**AGENDA ITEM:** Proposed Revision to Financial Eligibility Criterion Regarding Associated Charters

**Issue**

To ensure a minimum standard of achievement and operations charter holders should strive to obtain before expanding, the Board adopted financial, academic and operational eligibility criteria for expansion requests. Board staff is recommending changes to the financial eligibility criterion that considers the financial performance of the charter holder’s Associated Charters. During the public comment period, the Board did not receive any comments on these proposed changes.

**Proposed Revision to Financial Eligibility Criteria**

The table below identifies the changes proposed to the financial eligibility criterion that considers the financial performance of the charter holder’s Associated Charters.

<b>Existing Language</b>	<b>Proposed Change</b>
75 percent or more of all Associated Charters have no measure rated “Falls Far Below Standard” for the most recent fiscal year presented on the Associated Charters’ dashboards. If one or more Associated Charters are excluded for financial performance purposes, then 100 percent of the remaining Associated Charters must have no measure rated “Falls Far Below Standard” for the most recent fiscal year presented on the Associated Charters’ dashboards.	<p><u>Based on FY18 Audit Dashboard</u> For the most recent fiscal year presented on the Associated Charters’ dashboards, either 75 percent or more of all Associated Charters have no measure rated “Falls Far Below Standard” or no more than one Associated Charter has a measure rated “Falls Far Below Standard.”</p> <p><u>Based on FY19 and Subsequent Audit Dashboards</u> For the most recent fiscal year presented on the Associated Charters’ dashboards, either 75 percent or more of all Associated Charters have not received a summative financial performance rating of “Intervention” or no more than one Associated Charter has received a summative financial performance rating of “Intervention.”</p>

**First Opportunity for Public Comment**

In accordance with the Board’s Procedures for Rule and Policy Adoption, the proposed substantive changes were open for public comment from June 4 through June 24, 2019. The initial communication was sent to the Board’s newsletter distribution list, which includes all charter representatives. To reach more stakeholders, the request to comment on the proposed changes was circulated through the Board’s website, newsletter and social media. Today’s meeting provides the second opportunity for public comment required under the Board’s procedures.