

AGENDA ITEM: Proposed Revisions to Amendment Staff Recommendation Criterion for Financial Performance

Issue

At its July 8, 2019 meeting, the Board will consider approving a) the rules for implementing the financial performance framework recommended by the Board’s Financial Framework Subcommittee and approved by the Board at its December 10, 2018 meeting and b) the transition plan for the financial performance framework’s implementation. Should the Board approve the rules and transition plan today, revisions will be required to the financial performance staff recommendation criterion used for expansion amendment requests.

Background

Recommendation criteria are used to determine if Board staff will recommend the Board approve an expansion amendment request. A charter holder must fulfill all criteria listed for the expansion amendment request to receive a staff recommendation for expansion. A complete expansion amendment request that receives a staff recommendation may be placed on the consent agenda of a regular Board meeting. One of the staff recommendation criteria requires the charter holder to meet the Board’s financial performance expectations based on the most recent dashboard.

Proposed Revisions to Financial Performance Staff Recommendation Criterion

Under the financial framework transition plan considered today, charter holders assigned a summative financial performance rating of “Intervention” based on the fiscal year 2019 audit dashboard would be allowed to submit expansion requests if the charter holder meets all other eligibility criteria. Beginning with the fiscal year 2020 audit dashboard, charter holders that receive an “Intervention” summative financial performance rating would no longer be eligible to submit expansion requests and would be subject to the provisions of A.A.C. R7-5-402(D). For fiscal years 2020, 2021, and 2022, the tables below identify the staff recommendation financial performance criterion that will be used based on the fiscal year of the charter holder’s most recent financial dashboard.

FISCAL YEAR 2020 (July 1, 2019 through June 30, 2020)		
Financial Dashboard Used	Financial Performance Criterion	“Analysis” in “Agenda Item Executive Summary”
FY 2018 audit dashboard (because FY 2019 audit dashboard is not yet available)	“Meets the Board’s Financial Performance Expectations” based on the most recent dashboard.	The Charter Holder Meets the Board’s Financial Performance Expectations.
		The Charter Holder Does Not Meet the Board’s Financial Performance Expectations
FY 2019 audit dashboard	“Good Standing” or “Adequate Standing” based on the most recent dashboard.	The Charter Holder received “Good Standing” rating.
		The Charter Holder received “Adequate Standing” rating.
		The Charter Holder received “Intervention” rating.

FISCAL YEAR 2021 (July 1, 2020 through June 30, 2021)		
Financial Dashboard Used	Financial Performance Criterion	“Analysis” in “Agenda Item Executive Summary”
FY 2019 audit dashboard (because FY 2020 audit dashboard is not yet available)	“Good Standing” or “Adequate Standing” based on the most recent dashboard.	The Charter Holder received “Good Standing” rating.
		The Charter Holder received “Adequate Standing” rating.
		The Charter Holder received “Intervention” rating.
FY 2020 audit dashboard	<i>Criterion eliminated as it is no longer applicable.</i>	

FISCAL YEAR 2022 & SUBSEQUENT FISCAL YEARS		
Financial Dashboard Used	Financial Performance Criterion	“Analysis” in “Agenda Item Executive Summary”
FY 2020 and subsequent audit dashboards	<i>Criterion eliminated as it is no longer applicable.</i>	