

**AGENDA ITEM: Additional Transparency Rollout**

At its July 8, 2019 meeting, the Board will consider approving the rules for implementing the additional transparency recommended by the Board’s Financial Framework Subcommittee and approved by the Board at its December 10, 2018 meeting. Should the Board approve the rules today, the table below identifies the rollout considerations for fiscal year 2020, as well as implications for charter holders’ operational dashboards.

	<b>Education Service Provider</b>	<b>Website Link to Performance Dashboards</b>	<b>Mandatory Reporting</b>
<b>Rule Requirement</b>	<p>By September 1 of each year, each charter holder must notify the Board, in writing, of whether they have an agreement or contract with an Education Service Provider<sup>1</sup> for the current school year. If the charter holder has an agreement or contract with an Education Service Provider, then the charter holder must provide:</p> <ul style="list-style-type: none"> <li>▪ The name of the Education Service Provider; and</li> <li>▪ A written statement describing the services provided to the charter holder’s charter school(s) by the Education Service Provider. [A.A.C. R7-5-501(D)]</li> </ul>	<p>Each charter school must conspicuously and permanently post a link on its website to the charter school’s academic performance dashboard and the charter holder’s financial and operational performance dashboards on the Board’s website. For new schools, the link must be conspicuously posted by September 1 of the charter school’s first school year of operation. [A.A.C. R7-5-501(E)]</p>	<p>A charter holder must report the following to the Board within 10 days<sup>2</sup> of receipt or occurrence:</p> <ul style="list-style-type: none"> <li>▪ Any notice from a lender or landlord regarding default;</li> <li>▪ Filing a petition for bankruptcy;</li> <li>▪ Any notice from the Internal Revenue Service, Arizona State Retirement System, Arizona Department of Revenue, or Arizona Department of Economic Security regarding a tax lien, levy or garnishment;</li> <li>▪ Correspondence from an insurance provider related to cancellation of health or liability insurance due to nonpayment;</li> <li>▪ Notice of termination of line of credit whether initiated by financial institution or charter holder when replacement credit line is not in effect; or</li> <li>▪ Withdrawals from debt service reserve funds. [A.A.C. R7-5-501(C)]</li> </ul>
<b>FY 2020 Rollout Considerations</b>	<p>By September 1, 2019, each charter holder operating at least one school in fiscal year 2020 must submit to the Board the information required by A.A.C. R7-5-501(D).</p>	<p>By August 1, 2019, each charter school that operated in fiscal year 2019 must conspicuously post on its website the link required by A.A.C. R7-5-501(E).<sup>3</sup> New schools opening in fiscal year 2020 must conspicuously post the link by September 1, 2019.</p>	<p>For fiscal year 2020, which begins July 1, 2019, charter holders must report all notices and occurrences identified in A.A.C. R7-5-501(C). Notices received or occurrences that take place between July 1, 2019 and August 1, 2019 must be reported to the Board by the charter holder no later than August 15, 2019.</p>
<b>Operational Dashboard</b>	<ul style="list-style-type: none"> <li>▪ Fiscal year 2020 will be a pilot year.</li> <li>▪ Beginning with fiscal year 2021, failure to comply will be noted on a charter holder’s operational performance dashboard.</li> </ul>		

<sup>1</sup> An Education Service Provider means an organization that contracts with or has a governance relationship with an applicant or charter holder to provide academic services, administrative services or both. These organizations may also be commonly referred to as Charter Management Organizations or Education Management Organizations. [A.A.C. R7-5-101]

<sup>2</sup> A day means a business day. [A.A.C. R7-5-101]

<sup>3</sup> Should the rules be approved today, a file containing each charter school’s link will be posted on the Board’s website by July 12, 2019.



# Additional Transparency: Rollout Considerations

ASBCS BOARD MEETING

JULY 8, 2019

## Additional Transparency

- Link to Performance Dashboards
  - A.A.C. R7-5-501(E)
- Education Service Provider
  - A.A.C. R7-5-501(D)
- Mandatory Reporting
  - A.A.C. R7-5-501(C)



## FY20 Rollout Considerations

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### ➤ Link to Performance Dashboards

- By 8/1/19, each school that operated in FY19 must conspicuously post on its website the link required by A.A.C. R7-5-501(E).
- New schools opening in FY20 must conspicuously post the link by 9/1/19.
- By 7/12/19, the Board will post on its website a file with each school's link.

### ➤ Education Service Provider ("ESP")

- By 9/1/19, each charter holder operating at least one school in FY20 must submit to the Board the information required by A.A.C. R7-5-501(D).



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## FY20 Rollout Considerations

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### ➤ Mandatory Reporting

- For FY20, which begins 7/1/19, charter holders must report all notices and occurrences identified in A.A.C. R7-5-501(C) within 10 business days.
- Notices received and occurrences that take place between 7/1/19 and 8/1/19 must be reported to the Board by the charter holder no later than 8/15/19.

### ➤ Forms Developed by Board

- To assist charter holders in complying with A.A.C. R7-5-501(C) [mandatory reporting] and A.A.C. R7-5-501(D) [ESP], the Board has developed forms that allow the charter holder to easily submit the required information.



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## Operational Dashboard

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- FY20 will be a pilot year.
- Beginning with FY21, failure to comply with A.A.C. R7-5-501(C), A.A.C. R7-5-501(D) and/or A.A.C. R7-5-501(E) will be noted on a charter holder's operational dashboard.

