

AGENDA ITEM: Proposed Revisions to the Renewal Application

Issue

Discussion and possible action regarding substantive and technical revisions to the Renewal Application as presented in Guide to the Charter Renewal Process (attached).

Background

At its August 2016 meeting, the Board approved revisions to its Academic Performance Framework and Guidance (Framework) which included revisions to how charter holders that do not meet the Board's academic performance expectations demonstrate sufficient progress and how the Framework would be used in the renewal process.

In its determination of whether a charter holder demonstrates sufficient progress toward the Board's academic performance expectations, the Board will consider the Overall Rating for each of the schools it operates for the three most recent years and whether or not there has been improvement in the measures used to determine the Overall Rating. The Framework states that the findings of the Demonstration of Sufficient Progress will be provided to the Board when considering an application for charter renewal.

The revised methodology for determining whether a charter holder demonstrates sufficient progress has eliminated the requirement of documentation and data provided by the Charter Holder. As a result of this change there is no longer a required academic submission for the Renewal Application. Instructions and guidance pertaining to the documents required for the Academic Performance section of the Renewal Application have been removed.

Technical revisions were made to clarify the steps in the process for uploading a renewal application to the ASBCS online system. The formatting of the document was also updated to be consistent with other Board guidance documents.

In addition to the changes described above, Board staff is making recommendations to the renewal process.

First, Board staff is recommending to conduct an Academic Systems Review (ASR) as part of the renewal process. The ASR is part of the Board's five-year interval review process. Since a charter holder is considered for renewal 12 months prior to the expiration of the charter, staff recommends conducting the ASR prior to the Charter Holder's fifteenth year of operation so that the Board may consider the results of the ASR in its consideration of whether a charter holder has completed the obligations of the contract to be granted renewal.

Second, Board staff is recommending to add an assurances form to the renewal process. The assurances form would be a component of the Renewal Application requiring the Charter Holder to state that the Charter Holder intends to continue the educational, operational and business plans as contained in the charter contract and as amended in their 20 year renewal charter. This is to ensure that the Charter

Holder is still implementing the plans that were approved, either through the application or amendment processes.

Board Options

Option 1: I move to approve the revisions to the renewal process as presented in the Guide to the Charter Renewal Process document as included in this staff report.

Option 2: I move to approve the revisions to the renewal process as presented in the Guide to the Charter Renewal Process document as presented with the incorporation of the modifications discussed (provide specific information as necessary).



Guide to the Charter Renewal Process

September 12, 2016

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Authorized by A.R.S. §15-1-8: Charter schools are public schools that were established to provide a learning environment that will improve pupil achievement and provide additional academic choices for parents and pupils.

I. INTRODUCTION

This document provides guidelines for charter holders that are eligible to submit a Renewal Application to the Arizona State Board for Charter Schools (“Board”), pursuant to A.R.S. §15-183(I). The purpose of this document is to provide guidance about when and how to submit a Renewal Application. The following sections include an overview of the charter renewal process, detailed requirements for the preparation and submission of the application, an overview of the Academic Systems Review, and information on the materials provided to the Board for their consideration.

In order to ensure that the Board continues its oversight of quality school choices, certain criteria are reviewed during the charter renewal process, in accordance with the frameworks adopted by the Board. These components, as well as the steps to submitting the Renewal Application based on the requirements of the frameworks, will be discussed in detail in this document.

Please review all of the information in this document before you begin the Renewal Application.

II. OVERVIEW OF THE CHARTER RENEWAL PROCESS

Pursuant to A.R.S. §15-183(I), a new and replication charter is effective for 15 years. At least 18 months before the charter’s expiration, the Board staff will notify the Charter Holder that the Charter Holder may apply for renewal and must make available the Charter Holder’s Renewal Application. The Board customizes each Renewal Application based upon a Charter Holder’s performance history.

A summary review of the Charter Holder’s performance record over the term of the charter will be included with the notification.

In implementing its oversight and administrative responsibilities, the Board grounds its actions in evidence of the Charter Holder’s performance in accordance with the performance frameworks adopted by the sponsor (A.R.S. § 15-183(R)). The Board has adopted three frameworks, each is available on the Board’s website:

- [Academic Performance Framework and Guidance](#)
- [Financial Performance Framework and Guidance](#)
- [Operational Performance Framework and Guidance](#)

If a Charter Holder chooses not to apply for renewal, then the charter expires at the end of the contracted term.

Charter Renewal Stages

The major stages of the charter renewal process are summarized below:

Renewal Notification	The Charter Holder receives a renewal notification 18 months prior to the expiration of the charter.
Application Submission	The Charter Holder must submit via the ASBCS Online system, their Renewal Application on or before the deadline date (<i>15 months before the expiration of the charter</i>) provided in the renewal notification. The Renewal Application must be complete upon submission and adhere to the requirements set forth in this guidance.
Application Review	Upon submission of the Renewal Application, staff will evaluate the pertinent documents.
Site Visit	An Academic Systems Review (“ASR”) site visit is conducted prior to the Board’s consideration of the Renewal Application.
Board Consideration	A notification is sent to the Charter Holder providing the scheduled meeting date for the Board’s consideration of the Renewal Application. All materials contained in the application and the report from the ASR are included in the Board’s materials, along with the staff report. The Board will make a decision about whether or not to grant the charter renewal contract.
Renewal Decision	If the Board renews the charter, the renewal charter contract is for a term of 20 years. The Board may deny the request for renewal if, in its judgment, the Charter Holder has failed to meet or make sufficient progress toward the Board’s Academic Performance Expectations, meet the Board’s Operational Performance Expectations, and complete the obligations of the contract, or comply with all applicable laws. If the Board does not renew the charter, then the charter expires at the end of the contracted term.

Early Renewal Process

A.R.S. §15-183(I) (2) allows a Charter Holder to apply for early renewal. The Board has adopted a policy that establishes the eligibility criteria to qualify to apply for early renewal. For details regarding the early renewal process, see Appendix A: Eligibility to Apply for Early Renewal of a Charter Contract.

III. APPLICATION SUBMISSION REQUIREMENTS

Renewal Application requirements are based upon the Charter Holder's performance record in relation to criteria outlined in the Financial Performance Framework, and the alignment of officers, directors, members and partners of the Charter Holder on record as part of the charter contract with the Arizona Corporation Commissions (ACC) submissions.

A Charter Holder will be required to complete the financial performance section of the Renewal Application if the Charter Holder does not meet the Board’s Financial Performance Expectations.

In addition, the Charter Holder will be required to complete the organizational membership section of the application if the Charter Holder’s officers, directors, members and partners reflected in the contract do not match the current information on file with the ACC.

IV. COMPONENTS OF THE RENEWAL APPLICATION

The Renewal Application is a web-based form that must be submitted online through the ASBCS Online system. The application consists of the following:

- Assurances Form
- Detailed Business Plan
- Signature

Academic Performance

In this section the Charter Holder will submit a completed Renewal Assurances form. The form is an attestation that the Charter Holder will continue to implement the academic/educational plan as described in the charter contract and as amended. The Charter Holder may make amendments to the charter contract through the appropriate processes as described in Guide to Amending a Charter.

Detailed Business Plan

This section includes the required documents and instructions for the organizational membership and financial sustainability components of the Renewal Application.

Organizational Membership

A Charter Holder whose officers, directors, members and partners reflected in the charter contract do not match the current documents on file with ACC will be required to complete the Organizational Membership section of the application. A Charter Holder that is required to submit an organizational membership response is required to submit documentation that provides evidence that the Charter Holder has taken action to reconcile discrepancies in the organizational membership on file with ASBCS Online and ACC.

The lack of alignment of officers, directors, members and partners of the Charter Holder on record as part of the charter contract with ACC submissions will be recorded in measure 2.d of the Charter Holder's Operational Dashboard.

Financial Sustainability

A Charter Holder that does not meet the Board's financial performance expectations will be required to complete the Financial Sustainability section of the Renewal Application by submitting a financial performance response. This information will be used by the Board when it considers whether to grant the Charter Holder a renewal charter contract. At the time of consideration of renewal by the Board, the most current audit information will be provided.

For more information on preparing a financial performance response and the criteria Board staff will use to evaluate the response, see Appendix C of the Board's [Financial Performance Framework and Guidance](#) and the additional resources available under "Financial Performance Response" on the [Board's website](#).

NOTE: *All responses will be available for public review. If references will be made to or include any sensitive information (e.g., bank account numbers), redact that information prior to submission.*

Signature

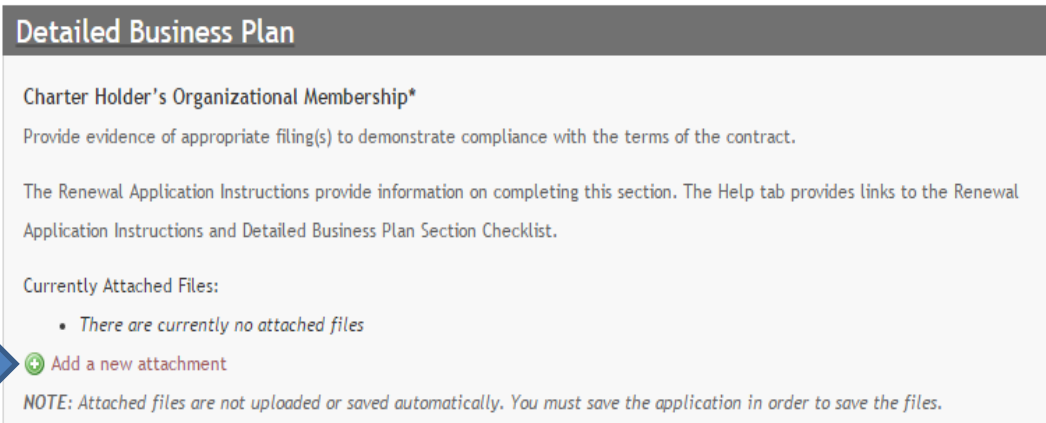
The Charter Representative must digitally sign the application by entering their password into the identified field in the Signature section of the Renewal Application. To prevent unintentional submission

of the Renewal Application, complete the signature section after all other sections have been completed. A Renewal Application cannot be submitted until it is signed by the Charter Representative.

VI. RENEWAL APPLICATION INSTRUCTIONS

A. Preparation Instructions

1. Identify the sections of the Renewal Application that require a response.
 - The notification will state if the Charter Holder is waived from any submission requirements.
 - When logged into the system and viewing the Renewal Application, each section that requires a response includes a description of the required information and a link for adding an attachment to the form.



Detailed Business Plan



Charter Holder's Organizational Membership*

Provide evidence of appropriate filing(s) to demonstrate compliance with the terms of the contract.

The Renewal Application Instructions provide information on completing this section. The Help tab provides links to the Renewal Application Instructions and Detailed Business Plan Section Checklist.

Currently Attached Files:

- There are currently no attached files

  Add a new attachment

NOTE: Attached files are not uploaded or saved automatically. You must save the application in order to save the files.

2. Locate information regarding Financial Sustainability submission requirements
 - The dashboard representation of the Charter Holder's financial performance, based upon the indicators and measures adopted by the Board, is available through ASBCS Online. Instructions for accessing the financial dashboard are as follows:
 - Go to <http://online.asbcs.az.gov>¹
 - Under the "Search" option, select "Charter Holders"
 - Enter part or all of the Charter Holder name and click "Search"
 - Select the applicable Charter Holder from the search results
 - Select the "Performance" tab
 - A Charter Holder that is required to submit a Financial Performance Response for the Detailed Business Plan section of the application should consult Appendix C of the Board's Financial Performance Framework and Guidance.
 - Go to the Board's website (<http://asbcs.az.gov>)
 - Under "For Charter School Operators", click on "Performance Expectations and Reviews"
 - Select the "Financial Performance" tab

¹ It is not necessary to log into ASBCS online. If you do log into ASBCS online using the Charter Representative's account, the information will be located in the Charter Holder's Detailed Information section under the "Performance" tab.

- Locate and download the Financial Performance Framework and Guidance
3. Locate information regarding Organizational Membership submission requirements
- A Charter Holder that is required to submit an organizational membership response is required to submit evidentiary documentation that demonstrates the Charter Holder has taken action to reconcile discrepancies in the organizational membership on file with ASBCS and ACC.
 - To check the organizational membership on file with the Board:
 1. Log in to your ASBCS online account using the Charter Representative’s user name (email address) and password. <http://online.asbcs.az.gov/>
 - If you do not remember your password, locate the “Forgot Password” icon on the log in page and click it to reset your password. You will receive an email from the ASBCS System Administrator (charterschoolboard@asbcs.az.gov) with instructions.
 2. Once logged into the system, you will be taken to the Dashboard.
 3. On the Dashboard, choose the Charter Holder’s section or tab and click on Charter Holder Name.
 4. Select the “Board” tab on the tool bar.
 5. Make note of the officers, directors, members, or partners listed.
 - To check the organizational membership on file with ACC:
 1. Go to the [ACC website](#)
 2. Click “Corporate Records” on the right side of the page
 3. Click “Business Entity Search” on the left side of the page
 4. Type the Charter Holder name in the search bar at the top of the page
 5. Select the Charter Holder from the list
 6. Make note of the officers, directors, members, or partners listed.

If the officers, directors, members, or partners reflected on ASBCS Online do not match the current members on file with ACC, the Charter Holder must submit documentation of the steps taken to reconcile the discrepancy.

The Charter Holder may need to:

1. Correct the information on file with ASBCS by completing and submitting the appropriate notification request through the amendment process,
2. Correct the information on file with ACC by completing and submitting the appropriate filing with ACC, or
3. Both correct the information on file with ASBCS and ACC

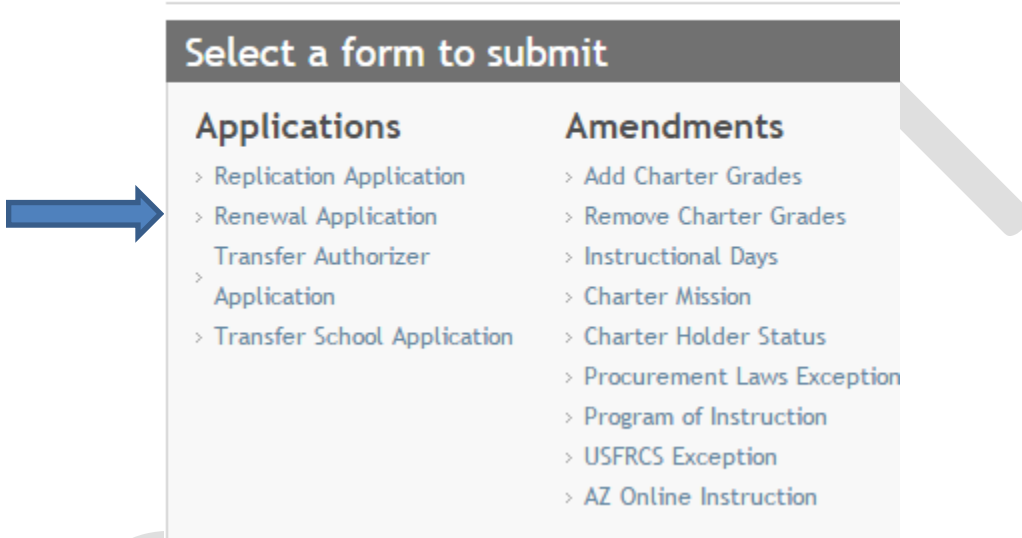
Guidance and requirements for submitting charter contract amendments are available on the ASBCS website in the Guide to Amending a Charter.

4. Review each section of the Renewal Summary Review document included with the notification letter. Make note of any Charter/Legal Compliance and Audit Compliance issues listed in the Renewal Summary Review. Prepare information regarding any compliance issues that the Board may wish to discuss when considering the Charter Holder’s Renewal Application.

B. Submission Instructions

1. Log in to your ASBCS online account using the Charter Representative's user name (email address) and password. <http://online.asbcs.az.gov/>
 - If you do not remember your password, locate the "Forgot Password" icon on the log in page and click it to reset your password. You will receive an email from the ASBCS System Administrator (charterschoolboard@asbcs.az.gov) with instructions.
 - Once logged into the system, you will be taken to the Dashboard.
 - Under the Charter Holder heading, click on "Submit Form".
 - Under the Applications heading, click on "Renewal Application".

Submit Form



2. Upload the required information to the appropriate section of the Renewal Application
 - If the Charter Holder is required to submit a Financial Performance Response for the Detailed Business Plan section:
 - Click on the "Add a new attachment" link in the Charter Holder's Financial Sustainability section of the Renewal Application.
 - Click the "Choose File" button
 - Browse to the file and click "Open"
 - In the Brief Description text area, type "CHARTER HOLDER NAME_Renewal_Financial Performance Response"
 - Click the "Add Attachment" button:
 - If the Charter Holder is required to complete the Organizational Membership section of the Renewal Application, the Charter Holder must provide evidence of the appropriate filing(s). Consider providing a screenshot of the completed filing, a notification that the filing has been received or processed, or a notification that the information has been updated. To submit Organizational Membership documentation:

- Click on the “Add a new attachment” link in the Charter Holder’s Organizational Membership section of the Renewal Application.
 - Click the “Choose File” button
 - Browse to the file and click “Open”
 - In the Brief Description text area, type “CHARTER HOLDER NAME_Renewal_Organizational Membership Response”
 - Click the “Add Attachment” button:
3. Review all sections of the application. Once all documents have been uploaded to the application, it is ready for submission. A submitted application cannot be changed. If the application needs to be changed, the submitted application can be withdrawn. If an application is withdrawn, a new application must be submitted prior to the due date stated in the notification email.
4. Submit the application. **Renewal Application packages must be submitted by 11:59 p.m. MST on the deadline date, which** is identified in the Charter Holder’s renewal notification email. Late submissions will not be accepted. To submit the application:
- Scroll down to the Charter Representative Signature section located at the bottom of the Renewal Application form.
 - Enter the charter representative’s password and click “Sign Form”
 - Click “Submit to ASBCS”

VII. ACADEMIC SYSTEMS REVIEW

Pursuant to A.R.S. § 15-183(l)(3), the Board shall review a charter at five-year intervals using the performance frameworks adopted by the Board. As a component of the renewal process, the Board will conduct a site visit of the schools operated by the Charter Holder, as described in Appendix XX: [title].

The purpose of the site visit is to gather evidence regarding the school’s implementation in providing a comprehensive program of instruction and designing a method to measure pupil progress toward pupil outcomes, as required in the charter contract. A set of criteria is used to determine the school’s implementation.

An ASR site visit will provide the Board an understanding of how the school develops and implements:

- A curriculum that improves student achievement.
- A system for monitoring the integration of the State academic standards.
- A system for monitoring and documenting student proficiency.
- A professional development plan that supports effective implementation of the curriculum.

The Five-Year Intervals Review Report will be included in the Board’s materials and summarized in the staff report for the Board’s consideration.

VIII. BOARD CONSIDERATION

After the application package has been evaluated and the ASR site visit is completed, a Renewal Portfolio is prepared to include:

- Staff report
- Renewal Summary Review
- Academic Dashboards for each school operated by the Charter Holder
- Renewal Application submission
- Five-Year Interval Review Report
- Financial response evaluation
- Financial response submission

A complete Renewal Portfolio is presented to the Board for consideration. The Charter Holder will receive a notification email when the Charter Holder's Renewal Application has been scheduled on the Board's agenda.

The day of the Board meeting the Charter Holder should be prepared to address the Board with a brief introductory statement and answer any questions. The Charter Holder should arrange for any staff to be present that are qualified to address questions regarding the performance of the Charter Holder.

After considering the Renewal Portfolio and statements made at the meeting, the Board will decide to renew the charter or deny the Renewal Application. The Charter Holder will receive a letter outlining the next steps, based on the Board's renewal decision.

APPENDIX A

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

DRAFT