

**U.S. Department of Education**  
**Washington, D.C. 20202-5335**

**APPLICATION FOR GRANTS**  
**UNDER THE**

**84.282A CSP Grants to State Entities**

**CFDA # 84.282A**

**PR/Award # U282A180003**

**Grants.gov Tracking#: GRANT12615382**

OMB No. , Expiration Date:

Closing Date: Apr 20, 2018

PR/Award # U282A180003

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This application was generated using the PDF functionality. The PDF functionality automatically numbers the pages in this application. Some pages/sections of this application may contain 2 sets of page numbers, one set created by the applicant and the other set created by e-Application's PDF functionality. Page numbers created by the e-Application PDF functionality will be preceded by the letter e (for example, e1, e2, e3, etc.).

**Application for Federal Assistance SF-424**

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
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* 3. Date Received: <input type="text" value="04/18/2018"/>	4. Applicant Identifier: <input type="text" value="Mark Francis"/>
--	---

5a. Federal Entity Identifier: <input type="text" value="804746097/3PMY5"/>	5b. Federal Award Identifier: <input type="text" value="84.282A"/>
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**State Use Only:**

6. Date Received by State: <input type="text" value="03/09/2018"/>	7. State Application Identifier: <input type="text" value="AZ"/>
--	--

**8. APPLICANT INFORMATION:**

\* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="[REDACTED]"/>	* c. Organizational DUNS: <input type="text" value="[REDACTED]"/>
--	--

**d. Address:**

* Street1:	<input type="text" value="1535 W. Jefferson"/>
Street2:	<input type="text"/>
* City:	<input type="text" value="Phoenix"/>
County/Parish:	<input type="text" value="Maricopa"/>
* State:	<input type="text" value="AZ: Arizona"/>
Province:	<input type="text"/>
* Country:	<input type="text" value="USA: UNITED STATES"/>
* Zip / Postal Code:	<input type="text" value="850073209"/>

**e. Organizational Unit:**

Department Name: <input type="text" value="AZ Charter Schools Program"/>	Division Name: <input type="text" value="Educator Excellence"/>
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**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: <input type="text" value="Dr."/>	* First Name: <input type="text" value="Mark"/>
Middle Name: <input type="text" value="Sheehan"/>	
* Last Name: <input type="text" value="Francis"/>	
Suffix: <input type="text"/>	

Title:

Organizational Affiliation:

* Telephone Number: <input type="text" value="[REDACTED]"/>	Fax Number: <input type="text" value="[REDACTED]"/>
---	---

\* Email:

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Department of Education

**11. Catalog of Federal Domestic Assistance Number:**

84.282

CFDA Title:

Charter Schools

**\* 12. Funding Opportunity Number:**

ED-GRANTS-030918-001

\* Title:

Office of Innovation and Improvement (OII): Charter Schools Program (CSP): Grants to State Entities CFDA Number 84.282A

**13. Competition Identification Number:**

84282A2018-1

Title:

Charter Schools Program Grants to State Entities

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

1242-AREAS AFFECTED BY PROJECT.pdf

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

Arizona Department of Education Charter School Program will open 40 high quality charter school over five years.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="55,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="55,000,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on  .

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

**AREAS AFFECTED BY PROJECT:**

**THIS GRANT WILL IMPACT DISADVANTAGED  
STUDENTS IN URBAN AND RURAL ARIZONA**

**List of Program/Project Congressional Districts affected by this grant.**

**Disadvantaged students in all 9 Arizona Districts could be impacted by this grant.**

**U.S. DEPARTMENT OF EDUCATION  
BUDGET INFORMATION  
NON-CONSTRUCTION PROGRAMS**

OMB Number: 1894-0008  
Expiration Date: 08/31/2020

Name of Institution/Organization

Arizona Department of Education

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

**SECTION A - BUDGET SUMMARY  
U.S. DEPARTMENT OF EDUCATION FUNDS**

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel	22,187.00	26,818.00	35,846.00	40,219.00	39,930.00	165,000.00
4. Equipment	1,627.00	1,967.00	2,629.00	2,949.00	2,928.00	12,100.00
5. Supplies	605.00	731.00	978.00	1,097.00	1,089.00	4,500.00
6. Contractual	89,419.00	108,086.00	144,471.00	162,094.00	160,930.00	665,000.00
7. Construction	0.00	0.00	0.00	0.00	0.00	0.00
8. Other	6,723,227.00	8,126,762.00	10,862,477.00	12,187,493.00	12,100,041.00	50,000,000.00
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs*						
11. Training Stipends						
12. Total Costs (lines 9-11)						

**\*Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government?  Yes  No

(2) If yes, please provide the following information:

Period Covered by the Indirect Cost Rate Agreement: From:  To:  (mm/dd/yyyy)

Approving Federal agency:  ED  Other (please specify):

The Indirect Cost Rate is  %.

(3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC?  Yes  No If yes, you must comply with the requirements of 2 CFR § 200.414(f).

(4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages?  
 Yes  No If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.

(5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:

Is included in your approved Indirect Cost Rate Agreement? Or,  Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is  %.  
PR/Award # U282A180003

Name of Institution/Organization Arizona Department of Education	Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.	
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**SECTION B - BUDGET SUMMARY  
NON-FEDERAL FUNDS**

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs						
11. Training Stipends						
12. Total Costs (lines 9-11)						

**SECTION C - BUDGET NARRATIVE (see instructions)**

ED 524

## ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  <input type="text" value="Mark S Francis"/>	TITLE  <input type="text" value="Director"/>
APPLICANT ORGANIZATION  <input type="text" value="Arizona Department of Education"/>	DATE SUBMITTED  <input type="text" value="04/18/2018"/>

Standard Form 424B (Rev. 7-97) Back

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

Approved by OMB  
4040-0013

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
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**4. Name and Address of Reporting Entity:**

Prime     SubAwardee

\* Name: Arizona Department of Education

\* Street 1: 1535 West Jefferson    Street 2: \_\_\_\_\_

\* City: Phoenix    State: AZ: Arizona    Zip: 850073209

Congressional District, if known: 7

**5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:**

<b>6. * Federal Department/Agency:</b> US Department of Education	<b>7. * Federal Program Name/Description:</b> Charter Schools CFDA Number, if applicable: 84.282
--	--

<b>8. Federal Action Number, if known:</b> _____	<b>9. Award Amount, if known:</b> \$ _____
---	---

**10. a. Name and Address of Lobbying Registrant:**

Prefix \_\_\_\_\_ \* First Name N/A Middle Name \_\_\_\_\_

\* Last Name N/A Suffix \_\_\_\_\_

\* Street 1 N/A Street 2 \_\_\_\_\_

\* City N/A State \_\_\_\_\_ Zip \_\_\_\_\_

**b. Individual Performing Services** (including address if different from No. 10a)

Prefix \_\_\_\_\_ \* First Name N/A Middle Name \_\_\_\_\_

\* Last Name N/A Suffix \_\_\_\_\_

\* Street 1 N/A Street 2 \_\_\_\_\_

\* City N/A State \_\_\_\_\_ Zip \_\_\_\_\_

**11.** Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\* Signature: Mark S Francis

\* Name: Prefix \_\_\_\_\_ \* First Name Shari Middle Name \_\_\_\_\_  
\* Last Name Zara Suffix \_\_\_\_\_

Title: Deputy Superintendent - Operations    Telephone No.: \_\_\_\_\_    Date: 04/18/2018

**Federal Use Only:** \_\_\_\_\_ Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)

## NOTICE TO ALL APPLICANTS

OMB Number: 1894-0005  
Expiration Date: 04/30/2020

The purpose of this enclosure is to inform you about a new provision in the Department of Education's General Education Provisions Act (GEPA) that applies to applicants for new grant awards under Department programs. This provision is Section 427 of GEPA, enacted as part of the Improving America's Schools Act of 1994 (Public Law (P.L.) 103-382).

### To Whom Does This Provision Apply?

Section 427 of GEPA affects applicants for new grant awards under this program. **ALL APPLICANTS FOR NEW AWARDS MUST INCLUDE INFORMATION IN THEIR APPLICATIONS TO ADDRESS THIS NEW PROVISION IN ORDER TO RECEIVE FUNDING UNDER THIS PROGRAM.**

(If this program is a State-formula grant program, a State needs to provide this description only for projects or activities that it carries out with funds reserved for State-level uses. In addition, local school districts or other eligible applicants that apply to the State for funding need to provide this description in their applications to the State for funding. The State would be responsible for ensuring that the school district or other local entity has submitted a sufficient section 427 statement as described below.)

### What Does This Provision Require?

Section 427 requires each applicant for funds (other than an individual person) to include in its application a description of the steps the applicant proposes to take to ensure equitable access to, and participation in, its Federally-assisted program for students, teachers, and other program beneficiaries with special needs. This provision allows applicants discretion in developing the required description. The statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Based on local circumstances, you should determine whether these or other barriers may prevent your students, teachers, etc. from such access or participation in, the Federally-funded project or activity. The description in your application of steps to be taken to overcome these barriers need not be lengthy; you may provide a clear and succinct description of how you plan to address those barriers that are applicable to your circumstances. In addition, the information may be provided in a single narrative, or, if appropriate, may

be discussed in connection with related topics in the application.

Section 427 is not intended to duplicate the requirements of civil rights statutes, but rather to ensure that, in designing their projects, applicants for Federal funds address equity concerns that may affect the ability of certain potential beneficiaries to fully participate in the project and to achieve to high standards. Consistent with program requirements and its approved application, an applicant may use the Federal funds awarded to it to eliminate barriers it identifies.

### What are Examples of How an Applicant Might Satisfy the Requirement of This Provision?

The following examples may help illustrate how an applicant may comply with Section 427.

(1) An applicant that proposes to carry out an adult literacy project serving, among others, adults with limited English proficiency, might describe in its application how it intends to distribute a brochure about the proposed project to such potential participants in their native language.

(2) An applicant that proposes to develop instructional materials for classroom use might describe how it will make the materials available on audio tape or in braille for students who are blind.

(3) An applicant that proposes to carry out a model science program for secondary students and is concerned that girls may be less likely than boys to enroll in the course, might indicate how it intends to conduct "outreach" efforts to girls, to encourage their enrollment.

(4) An applicant that proposes a project to increase school safety might describe the special efforts it will take to address concern of lesbian, gay, bisexual, and transgender students, and efforts to reach out to and involve the families of LGBT students.

We recognize that many applicants may already be implementing effective steps to ensure equity of access and participation in their grant programs, and we appreciate your cooperation in responding to the requirements of this provision.

### Estimated Burden Statement for GEPA Requirements

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain benefit (Public Law 103-382). Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, 400 Maryland Ave., SW, Washington, DC 20210-4537 or email [ICDocketMgr@ed.gov](mailto:ICDocketMgr@ed.gov) and reference the OMB Control Number 1894-0005.

**Optional - You may attach 1 file to this page.**

1245-RESPONSE TO SECTION 427 OF GEPA.pdf

Add Attachment

Delete Attachment

View Attachment

## **RESPONSE TO SECTION 427 OF GEPA**

Section 427 of the General Education provisions Act (GEPA) requires a description of three steps that will be taken to ensure equitable access to, and participation in, federal assisted programs for students, teachers and other program beneficiaries. To ensure equitable participation and access project resources, the following considerations will be made:

- When requested, the Arizona Department of Education will produce dissemination materials (i.e., direct mailings, emails, on-line announcements) in both English and Spanish. Other considerations will be made to ensure the document is readily accessible to traditionally underrepresented groups.
- The project staff will coordinate the process of cooperation and collaboration between and among the project participants to ensure equitable access and participation of recipients of the project funds.
- The project staff will conduct accessibility assessments of the subgrantee physical and instructional environments.
- The project staff will eliminate physical and learning barriers in the educational settings and provide reasonable accommodations to those being served.
- The project staff will carefully consider issues of cultural diversity and sensitivity by reviewing instructional elements of the program. Careful attention to topics covered in the program will be considered based on how participants might respond, react, or perceive information being presented. Training on cultural, gender, race and national origin will be provided to all personnel associated with this project.
- The Arizona Department of Education shall maintain non-discriminatory learning environments to ensure that participants are not excluded from participation in, denied

the benefits of or otherwise subjected to discrimination in any program or activity of the Department on the basis of race, color, ethnicity, religion, gender, disability or national origin. The right of any student to attend and participate in school activities will be limited only when the welfare of others may be threatened. When students act irresponsibly they will be held accountable so as to preserve an appropriate educational setting for others. These provisions are supported in the proposal as well as in the Department's policies and rules supporting diversity.

## CERTIFICATION REGARDING LOBBYING

### Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

<b>* APPLICANT'S ORGANIZATION</b> Arizona Department of Education	
<b>* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE</b>	
Prefix: Dr.	* First Name: Mark Middle Name:
* Last Name: Francis	Suffix:
* Title: Director	
<b>* SIGNATURE:</b> Mark S Francis	<b>* DATE:</b> 04/18/2018

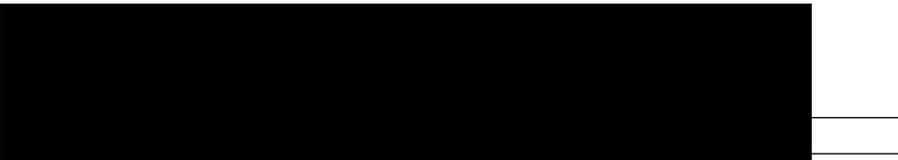
**U.S. DEPARTMENT OF EDUCATION  
SUPPLEMENTAL INFORMATION  
FOR THE SF-424**

**1. Project Director:**

Prefix: Dr.	First Name: Mark	Middle Name:	Last Name: Francis	Suffix:
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Address:

Street1:	1535 W. Jefferson
Street2:	
City:	Phoenix
County:	Maricopa
State:	AZ: Arizona
Zip Code:	850073209
Country:	USA: UNITED STATES



**2. Novice Applicant:**

Are you a novice applicant as defined in the regulations in 34 CFR 75.225 (and included in the definitions page in the attached instructions)?

Yes  No  Not applicable to this program

**3. Human Subjects Research:**

a. Are any research activities involving human subjects planned at any time during the proposed Project Period?

Yes  No

b. Are ALL the research activities proposed designated to be exempt from the regulations?

Yes Provide Exemption(s) #:  1  2  3  4  5  6

No Provide Assurance #, if available:

c. If applicable, please attach your "Exempt Research" or "Nonexempt Research" narrative to this form as indicated in the definitions page in the attached instructions.

	Add Attachment	Delete Attachment	View Attachment
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## Abstract

The abstract narrative must not exceed one page and should use language that will be understood by a range of audiences. For all projects, include the project title (if applicable), goals, expected outcomes and contributions for research, policy, practice, etc. Include population to be served, as appropriate. For research applications, also include the following:

- Theoretical and conceptual background of the study (i.e., prior research that this investigation builds upon and that provides a compelling rationale for this study)
- Research issues, hypotheses and questions being addressed
- Study design including a brief description of the sample including sample size, methods, principals dependent, independent, and control variables, and the approach to data analysis.

[Note: For a non-electronic submission, include the name and address of your organization and the name, phone number and e-mail address of the contact person for this project.]

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## You may now Close the Form

**You have attached 1 file to this page, no more files may be added. To add a different file, you must first delete the existing file.**

\* Attachment:

## Abstract Narrative

### **Project Title: Arizona Charter Schools Program (AZ CSP)**

Organization: Arizona Department of Education Charter Schools Program

Address: 1535 W. Jefferson, Phoenix, Arizona 85007

Contact Person: Mark Francis | [REDACTED]

**Project Objectives:** Arizona Charter Schools Program (AZ CSP) has three primary objectives:

*Objective 1* - Increase the number of high quality charter schools in Arizona focusing on educationally disadvantaged students. Educationally disadvantaged students are defined in this application as racially and ethnically diverse students, economically disadvantaged students, students with disabilities, and English Language Learners (ELL).

*Objective 2* - Close achievement gaps for educationally disadvantaged students in AZ CSP schools.

*Objective 3* - Increase high school student academic achievement and graduation by encouraging participation in dual or concurrent enrollment programs or early college high schools (Preference points for dual/concurrent, early college programs will be allocated in the application).

### **Expected outcomes:**

#### *Short-term outcomes (in five years):*

- 40 high quality charter schools serving disadvantaged students are approved and awarded. (Objective 1)
- 40 of 40 AZ CSP schools demonstrate base-line disadvantaged students' academic growth of at least one year in mathematics and reading/language arts on the state assessment. (Objective 2&3)
- Disadvantaged students at 85% of AZ CSP charter schools exceed the state average of students with similar student demographics on each content area on the state assessment. (Objective 2&3)
- Graduation rate of disadvantaged students at 85% of AZ CSP charter schools meet or exceed the state average graduation rate of students with similar student demographics. (Objective 3)

#### *Long-term outcomes (after five years):*

- The academic outcomes for disadvantaged students attending AZ CSP awarded schools cumulatively increase over five years closing achievement gaps.
- Identify and disseminate proven practices based on evaluation findings.

### **Contributions:**

With the AZ CSP funding and technical assistance resources, Arizona seeks to create 40 new high-quality charter schools to serve disadvantaged students using proven models and practices that are already working in previously awarded AZ CSP schools.

AZ CSP implementation and activities will generate research-based leading indicators from the field and develop an evidence-based framework for creating high-quality charter schools serving educationally disadvantaged students.

## Project Narrative File(s)

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\* Mandatory Project Narrative File Filename:

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To add more Project Narrative File attachments, please use the attachment buttons below.

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**CSP SEA 84.282A**

Arizona Department of Education

AZ Charter Schools Program

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## **Competitive Preference Priorities**

### **Priority 1 (2 points) – *At Least One Authorized Public Chartering Agency Other than a LEA***

Arizona statute provides for multiple charter authorizers: The authorizer of a charter school may be either the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts ARS §15-183(C) (Appendix F, p.1). Arizona State Board for Charter Schools (ASBCS), a separate, companion state agency to Arizona Department of Education (ADE), is the primary authorizer and sponsors 99.99% of charter schools in Arizona (Arizona State University has authorized 9 charter entities that are affiliated with the state university - .017% of all Arizona charter entities. It is required to follow the same administrative rules, regulations and legislative statutes which ASBCS does). Annually, ASBCS grants approximately 15-20 charters to new and replication applicants. Arizona also has no cap on the number of charter schools that can be authorized.

### **Priority 2 (6 points) – *Equitable Financing***

Arizona public charter schools receive the same Base Support Level (BSL) funding as public district schools as proscribed in ARS§15- 185(B)(1) (Appendix F, p.11). The BSL is built upon a student enrollment formula which adds enrollment weights to smaller LEAs (Charter entities in Arizona are considered LEAs for funding and other legal purposes). That means, depending on the enrollment size of the school, the school could receive up to an additional .5 per student in funding weight. That student would then be equal to up to 1.5 students. The Legislature considered that many if not most charter LEAs would qualify for the additional BSL funding through the system of small school weights.

Unique to charter schools, the Legislature also created a system to anticipate charter funding at the beginning of the school year called Estimated Student Count. This system allows charter schools to submit their estimated student enrollment counts before the beginning of the school year. Thus, the school is not penalized by waiting days or weeks after the school has opened to receive state funding. After the first twenty days of operation and each subsequent twenty-day period, the charter school shall review and submit to ADE School Finance its revised student enrollment count to receive its Base Support Level and Charter Additional Assistance.

Knowing that charter schools cannot go directly to Arizona taxpayers to support their organizations, the Legislature created charter Additional Assistance funding (ARS§15-185 (B) (4)) not available to public district schools. The statute reads as follows: *“The amount of the charter additional assistance is one thousand seven hundred seventy-five dollars five cents per student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and two thousand nine hundred sixth-eight dollars and seventy-nine cents per student count in grades nine through twelve.”* These two funding sources become Charter Equalization Assistance designed to offset the school’s lack of access to direct taxpayer funding, i.e., a levy to support a new building or capital expenditures. Charter schools may use the Charter Equalization Assistance to fund building leases or participate in public bond offerings to support purchase of buildings as well as other areas the charter deems necessary and allowable to support its educational mission.

**Priority 3 (6 points) – Charter School Facilities**

In 2017 the AZ legislature created the Arizona Achievement District (ARS §15-2155) (Appendix F, p.15). The purpose of the legislations is to assist high performing charter schools in accessing credit and renovate facilities for school use. High performing charter schools for this legislation

is defined as the following: “*a public school or charter school that has been assigned a letter grade of A [the state letter grade accountability system measuring school academic performance]; has a verifiable enrollment demand; has a sound financial plan that contemplates operational cost...*”. The Arizona legislature also aids with facilities acquisition. ARS §15-189 (A) provides for the following: “*The School Facilities Board, in conjunction with the Department of Administration, shall annually publish a list of vacant and unused buildings and vacant and unused portions of buildings that are owned by this state or by school districts in this state and that may be suitable for the operation of a charter school. The School Facilities Board shall make the list available to applicants for charter schools and to existing charter schools. The list shall include the address of each building, a short description of the building, the name of the owner of the building and any other pertinent information related to the vacancy of the building. The School Facilities Board shall annually submit the list to the Governor, the President of the Senate and the Speaker of the House of Representatives and provide a copy of the list to the Secretary of State.*” (Appendix F, p.17).

**Priority 4 (3 points) – Best Practices to Improve Struggling Schools and LEAs**

A charter-led partnership to sharing best practices. In May 2017, the Arizona Superintendent of Public Instruction announced a partnership with the Center for Student Achievement (the Center) to help support teachers and leaders in district schools. The Center is a non-profit affiliate of the Arizona Charter Schools Association (ACSA). It is focused on high-quality school improvement initiatives, with an emphasis on professional development and the publication of rigorous and transparent research and evaluation from the charter sector. The Center developed a suite of supporting programs for school leaders and teachers currently in use by a growing number of charter schools in Arizona, especially struggling schools. Nationally, the Center also provides

consulting services to educators in other states about how to make student data analysis applicable and actionable. This practice is currently in use by over 90 district and charter schools, as well as at schools on Native American reservations.

**Priority 5 (3 points) – *Serving At-Risk Students***

The Arizona legislature funds dropout recovery programs for charter schools serving At-Risk Students (ARS§15-901.06) (Appendix F, p.18). It provides the following stipulations: Each school district and charter school that provides instruction to high school students may offer a dropout recovery program for At-Risk Students. The AZ State Board of Education proscribes standards and achievement testing requirements for dropout recovery programs that attempt to ensure that the programs are compatible with public school education goals and requirements.

The standards require dropout recovery programs to do all the following:

1) Provide curricula aligned to the academic standards adopted by the state board of education.

The curricula may be delivered online (ARS§15-808 (Appendix F, p.21)); 2) Provide standardized tests required by federal and state law; 3) Make available appropriate and sufficient supports for students, including tutoring, career counseling and college counseling; 4) Comply with federal and state laws governing students with disabilities; 5) Meet state requirements for high school graduation.

Each eligible student who is enrolled in a dropout recovery program shall have a written learning plan developed by the student's assigned mentor. The written learning plan shall include the following elements: 1) The start date and anticipated end date of the plan; 2) Courses to be completed by the student during the academic year; 3) Whether courses will be taken sequentially or concurrently; 4) State competency exams to be taken, as necessary; 5)

Expectations for satisfactory monthly progress; 6) Expectations for contact with the student's assigned mentor.

**Priority 6 (5 points) – Best Practices for Charter School Authorizing**

Authorizing. The new charter application process, as identified in Arizona Administrative Code, Title 7, Chapter 5, Article 2 (Appendix F, p.25), includes multiple reviews of the submitted application package before the authorizer decides whether to grant or deny a new charter to the applicant. After the application package is received by the authorizer, the new charter application undergoes a review to determine if the application is administratively complete. Those applications that are deemed administratively complete move on to the substantive review process. During the substantive review, a Technical Review Panel (TRP) is convened to score the application and conduct a quality review of the education, operation, and business plans included in the application. The TRP is composed of individuals who use their expertise in charter school development, curriculum, and finance to assist in the evaluation of a preliminary or revised application package. Following the initial quality review and scoring by the TRP, applicants then have a period to revise their applications. Based upon initial scoring and feedback, applicants resubmit for another review by the TRP. Following the second and final evaluation by the TRP, applicants are interviewed to help the authorizer determine, in conjunction with the evaluated application package materials, their capacity to successfully operate a charter school. Once a charter has been granted and the school is preparing to open for the first time, ASBCS ensures that all required documentation has been submitted before the school can provide educational instruction. Arizona State University authorization process follows the same procedure. Arizona Administrative Code, R7-5-204: *Review of Administratively Complete Application Package, Technical Assistance, and In-Person Interview,*

outlines clear criteria that must followed in evaluating a new charter application describes how applications shall be assigned scores. *An application package shall be assigned a score of “Meets the Criteria,” “Approaches the Criteria,” or “Falls Below the Criteria” for each evaluation criterion”* (Appendix F, p.30).

ASBCS provides another option for an entity already operating a high performing charter school to replicate the existing charter school. The purpose of the replication application is to streamline the application process for existing charters that have consistently demonstrated quality academic and operational performance and financial viability, as set by the Board’s performance framework. The replication application is based on the premise that the new charter will reflect the implementation of the existing educational program, corporate and governance structure, and financial and operational processes that have been successfully demonstrated in the school being replicated.

Monitoring. ASBCS adopted a performance framework as required in statute (ARS§15-183(R)) (Appendix F, p.7) that addresses three areas of performance for charter schools: academic, operational, and financial. The adoption of the financial performance framework (Appendix F, p.44) occurred in August 2012; the academic performance framework (Appendix F, p.70) was adopted in October 2012; and an operational framework (Appendix F, p.86) was adopted in October 2014.

Through its **academic framework**, the Board communicates its expectations for ensuring that all charter holders in its portfolio are providing a learning environment where measurable improvement in student achievement can be demonstrated. The academic framework uses multiple measures to annually evaluate whether the students at each of the charter holder’s schools are making adequate growth and achieving proficiency. Through its **financial**

**framework**, the Board communicates its expectations for ensuring that all charter holders in its portfolio are viable organizations with strong fiscal management practices. The financial framework uses six measures to annually evaluate each charter holder's near-term financial health and long-term financial sustainability. Through its **operational framework**, the Board communicates its expectations for ensuring that all charter holders in its portfolio are 1) implementing their education program as set out in the charter and required by law and 2) adhering to statutory and contractual operational reporting and compliance requirements. The operational framework uses multiple measures to annually evaluate charter holders' operational performance and relies upon information collected through existing Board policies and processes, as well as reviews conducted by ADE and other entities. The academic, financial, and operational frameworks describe how the Board utilizes information concerning a charter holder's performance. It is publicly available in dashboard format at ASBCS website.

Periodic review and evaluation. Arizona statute provides for periodic review and evaluation by the authorized public chartering agency of each charter school at least once every five years. Arizona contracts between authorized public chartering agencies (sponsors) and the charters they sponsor have 15 year durations. Renewal contracts are for 20 years. Title 15 Article 8 of the Arizona Revised Statutes covers the responsibilities and regulations concerning charter schools and provides for periodic review and evaluation during the contract period. ARS §15-183(I)(3) includes the requirement that "*a sponsor shall review a charter at five-year intervals using a performance framework adopted by the sponsor.*" ARS§15-183(I)(3), in referring to five-year interval reviews, states that the sponsor may revoke a charter at any time for a breach of contract or if the sponsor determines that the charter holder has failed to do any of the following:

*(a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework (b) Meet the operational performance expectations set forth in the performance framework or any improvement plans (c) Comply with this article or any provision of law from which the charter school is not exempt.*

In response to state charter law, ASBCS policy stipulates that a comprehensive charter review and evaluation must be conducted at five-year intervals. The review includes 1) an examination of a charter school's academic performance, 2) an appraisal of the fiscal performance, and 3) legal/operational compliance of the charter. The five-year review and evaluation of each charter holder's performance is presented to ASBCS in a public meeting and includes an opportunity for the authorizer to take appropriate action or impose meaningful consequences including revocation (ARS§15-183(I)(3)).

Annual independent audit. Arizona law requires each charter school to conduct an annual financial audit by an independent certified public accountant (ARS§ 15-183(E)(6) and 15-914 (C) (Appendix F, p.3 & 122) requires that *“A charter school that is not subject to the single audit act amendments of 1996 shall contract for at least an annual financial statement audit conducted in accordance with generally accepted governmental auditing standards. An independent certified public accountant shall conduct the audit.”* A copy of the annual audit is filed with the authorizer and ADE, on or before the filing deadline of November 15 annually. Schools that fail to submit their annual audit in a timely manner are subject to 10% withholding of state funds until submission (Arizona Administrative Code R7-5-605). Schools that chronically fail to submit an audit or are chronically late over multiple years are subject to revocation of their charter (Arizona Administrative Code R7-5-607). Contracted independent auditors must be approved by the ASBCS in accordance with Arizona Administrative Code R7-5-502. The

approval process is the submission of the engagement letter between the charter holder and the audit firm.

Annual reviews and evaluation. Over and above state law, ASBCS policy **mandates** an annual evaluation of charter schools in the authorizer's portfolio based on the Academic Performance Framework. The purpose of the evaluation is to determine if the charter school meets or is making sufficient progress toward the academic expectations set forth in the ASBCS's performance framework or in any improvement plans. The primary measure is the Arizona A-F School Accountability Plan.

The Arizona A-F School Accountability Plan (Appendix F, p.117) adopted by the State Board of Education in April 2017 quantitatively measures student proficiency in English Language Arts, Math and Science; growth in English Language Arts and Math; proficiency and growth of English Language Learners; graduation rate; acceleration and readiness measures consisting of several measures including chronic absenteeism and the improved growth of subgroups, and college and career readiness indicators including passing the ACT and SAT. Overall Ratings for the most recent fiscal year that State achievement profiles are available are used to determine whether the charter holder meets the clear academic performance expectations. A charter holder meets the Board's academic performance expectations if all schools operated by the charter holder receive an Overall Rating of "Meets Standard," "Above Standard" or "Exceeds Standard". If the charter holder does not meet the Board's academic performance expectations, it is required to demonstrate sufficient progress and/or submit a copy of the school improvement plan to the Board. ADE annually identifies schools in "improvement status" that demonstrate low academic performance and are required to submit improvement plans. This includes schools identified for improvement and/or Targeted or Comprehensive Support, and schools receiving a "D" or "F"

letter grade. If a school(s) operated by the charter holder is assigned a school improvement plan by ADE, the charter holder will be required to submit a copy of the school improvement plan by the deadline date provided by ADE. Within 30 business days of submission, Board staff will review the school improvement plan for administrative completeness to confirm whether it contains all components required by statute, rule and ADE guidance. ASBCS's Academic Performance Framework and Guidance document identifies actions and consequences for meeting or failing to meet performance expectations.

Holding charter schools accountable. Each charter school in the state of Arizona operates under a legally binding contract between the entity that operates the school and the authorized public chartering agency. ARS§15-183(E) identifies the obligations and responsibilities that must be included in the charter (contract) for a charter school in Arizona., i.e., compliance with federal, state and local rules/regulations and statutes relating to health, safety, civil rights and insurance; non-sectarian policies; comprehensive program of instruction; measurement of student achievement with state standards; exemptions from state statutes relating to schools and their governance; compliance with all federal and state laws pertaining to students with disabilities. An example of the ASBCS's contract, which includes all statutory requirements, is included in the Appendix F (p.124). In accordance with Arizona law, a charter can be revoked at any time for violating the charter contract or state and federal law.

#### Authorizer Review

In accordance with ARS §15-183(HH), authorized public chartering agencies in Arizona must submit an annual report to the Auditor General on or before October 1 each year. The report must include the following:

*“1. The current number of charters authorized and the number of schools operated by authorized charter holders 2. The academic and operational performance of the sponsor's charter portfolio as measured by the sponsor's adopted performance framework. 3. The number of new charters approved and the number of charter schools closed and reason for the closure in the prior year. 4. The sponsor's application, amendment, renewal and revocation processes, charter contract template and current performance framework as required by this section.*

*Following a review by the Auditor General, the reports will be made available to the public. If a sponsor fails to meet the requirements of the statute, action may be taken which could result in revocation of the sponsor's authority to sponsor charter schools.”*

### **Selection Criteria**

#### **a) Quality of the Project Design (15 points)**

##### *1) The extent to which the proposed project demonstrates a rationale (10 points)*

The fundamental purpose of this application is to increase disadvantaged students' academic opportunity to meet rigorous state standards in 40 awarded charter schools by improving schools' internal leadership and instructional capacity. To that end, an expanded Arizona Charter Schools Program (AZ CSP) team of charter school experts in leadership, teaching, and operations will provide professional development and embedded, ongoing technical assistance to each school over the life of its grant.

This mission is based on data collected from previously awarded AZ CSP schools. Among 16 previously awarded schools serving disadvantaged students,

- in their first year of operation 5 out of 16 schools demonstrated academic growth of at least one grade level on the state assessment;

- in their third year of operation 14 out of same 16 schools, which received one year of AZ CSP provided technical assistance, demonstrated academic growth of at least one grade level on the state assessment.

The above data provides evidence that schools may not meet the goal of one year's growth in the first year when a high percentage of educationally disadvantaged students are enrolled; they can achieve the goal of one year's growth in the following years with the support of AZ CSP.

However, this grant believes that one year's academic growth is only a base line measure for improvement. It is neither necessary nor sufficient for closing achievement gaps of disadvantaged students, many of whom are more than two or more years behind academic areas that are reading and math dependent.

Therefore, the application performance target (*Objective 2 – Close achievement gaps for educationally disadvantaged students in AZ CSP schools*) projects one year's academic growth in the first year of each cohort and surpass one year's growth in each succeeding year to systemically close gaps to meet rigorous grade-level state standards within the five-year award.

### **AZ CSP's Theory of Action**

*If AZ CSP competitively selects transformative leaders through its rigorous application process, and*

*if leaders and teachers are supported through professional development trainings and on-site technical assistance over five years, and*

*if schools are monitored through AZ CSP's monitoring and risk assessment procedures aligned with federal Uniform Guidance,*

*Then, AZ CSP schools and students will meet and/or exceed their goals and sustain program success after the life of grant project.*

## Selection Process

- 1) An applicant must submit a charter application to the state authorizer proposing to serve educationally disadvantaged students;
- 2) AZ CSP receives subgrant applications which will be reviewed by qualified evaluators who score them using established Evaluation Criteria. Such criteria will be announced to all eligible applicants and posted on the AZ CSP website for transparency.
- 3) AZ CSP will conduct in-person interviews for all eligible applicants as a part of the selection process. Only transformative leaders with high quality of capacity will be awarded.

AZ CSP was awarded a five-year SEA CSP grant in 2009. It was awarded a second three-year grant in 2015. The following is a break down by year comparing received application numbers to awards numbers for each project year:

<b>2009 -2015</b>	<b>Subgrants Approved</b>	<b>Subgrants Denied</b>	<b>Total Applied</b>	<b>% Approved</b>
Award Year 2010	21	18	39	53 %
Award Year 2011	21	12	33	63 %
Award Year 2012	15	5	20	75 %
Award Year 2013	12	9	21	57 %
Award Year 2014	12	24	36	33 %
<b>Total</b>	<b>81</b>	<b>68</b>	<b>147</b>	<b>55 %</b>
<i>Total number and percentage of schools in operation and meeting or exceeding state average as of April 2017.</i>				<b>74/81 (91 %)</b>

<b>2015 -2018</b>	<b>Approved</b>	<b>Denied</b>	<b>Total Applied</b>	<b>% Approved</b>
Award Year 2016	11	18	39	28 %
Award Year 2017	6	12	33	18 %
Award Year 2018	14	13	27	25%
<b>Total</b>	<b>31</b>	<b>43</b>	<b>99</b>	<b>31%</b>
<i>Total number and percentage of schools in operation and met the target of academic growth of at least one year in ELA and Math on the state assessment as of March 2018.</i>				<b>5/6 (83%)</b>

The AZ CSP application approval process is a high predictor of school success.

## **Professional Development Trainings and Technical Assistance**

AZ CSP's Technical Assistance (TA) Plan is rooted in its Theory of Action.

### Instructional Rounds (IR)

Since 2012 AZ CSP has trained awarded schools in IR. Developed by the Harvard Graduate School of Education for engaging school leaders in continuous improvement, it builds a common understanding of quality instruction to decrease instructional variation across classrooms. By following a set of protocols for observing, discussing, and analyzing problems of instructional practices, schools will have more data to create theories of action addressing those problems. To monitor its effectiveness and improve its IR practice, AZ CSP collects all types of training evaluation data from participants through surveys, interviews, and reflections. That data has consistently confirmed IR's value and impact on schools' performance. AZ CSP will continue to require subgrantees to engage in the IR program of professional learning integrating walk-through, network, and improvement strategies into one practice.

### Formative Assessment (FA)

ADE K- 12 Standards Division has made FA a state-level instructional practice priority as a part of its Balanced Assessment Framework. FA is a process used by teachers and students during instruction (real-time) which provides feedback to adjust ongoing teaching and learning to improve students' achievement of intended learning outcomes. Within a balanced assessment framework context, FA stands midway between diagnostic and summative assessment and is the primary real-time predictor that students are either on or off track in their learning. FA does not interfere with a school's curriculum or teaching approach. It is a planning and implementation process to ensure alignment of instructional intent and desired outcomes which makes it ideal for charter school flexibility. AZ CSP staff have been and are currently involved in training

previously awarded schools in the FA process. Based on the success of those trainings and continued requests from school leaders for AZ CSP staff to follow up in their schools, it is the intent that all teachers will be required to attend the in-depth training before the opening of their schools.

#### Five-Year Technical Assistance (TA) Implementation Plan Outcome

The TA plan is comprehensive by its design: structural professional development, coaching, and embedded support over time. AZ CSP will support school leaders and teachers through professional development and intensive on-site coaching to foster collaborative teaching and learning.

*Planning Phase:* the plan focuses on assisting school leaders in developing instructional, operational/financial, and governance frameworks that are ready for implementation starting school day 1. School governing bodies and executive teams attend trainings to learn and develop strategies to implement and execute governance for mission accountability. When Board members and administrators understand, and apply the principles of *effective governance* and fully appreciate the scope of their accountability as stewards of the public trust, the result will be high-performance and sustainable charter school. School leaders and teachers will participate in trainings to obtain a conceptual understanding of IR and FA, their implementation process, and impacts on student achievement based on research findings. The training takes into consideration that adults want to know the rationale behind new content before considering it. Therefore, training will emphasize research findings to help teachers bridge the gap between their current understanding and desired outcomes.

*Implementation Phase:* the plan focuses on assisting school leaders and teachers in applying the learned knowledge and skills in classrooms and schools for instructional improvement and

overall organizational effectiveness. Supported by the AZ CSP staff, teachers will apply FA strategies which include gathering FA data during instructional time, analyzing, and interpreting the learning evidence based on data collection. Through the self-reflective process following a protocol, teachers can constantly self-monitor the teaching and learning progress of their students and adjust their teaching strategy accordingly. Moreover, teachers help students understand evaluation criteria and engage them in their own learning progress.

Supported by AZ CSP staff, school leadership teams will apply IR process described above to monitor and analyze instructional progress. Also, supported by AZ CSP staff, school leaders will analyze internal and external data on governance and operational/financial performance to evaluate the overall organizational effectiveness and progress towards its established goals.

Evaluation: ADE's Professional Learning Unit recommends Guskey's Professional Development Evaluation framework (Appendix F, p.224) to all LEAs when evaluating professional learning programs. AZ CSP will evaluate the impact of its IR and FA plans per the framework in all five levels – participants' reaction, participants' learning, organization support and change, participants' use of new knowledge and skill, and student learning outcomes.

### **Monitoring and Risk Assessment Policy and Procedure**

AZ CSP will continue to monitor closely the performance of all CSP schools to ensure successful planning and implementation of the project per established monitoring procedures and protocols. AZ CSP will revise the current monitoring handbook (Appendix F, p.146) to be more aligned with the objective of this proposed project to guide the monitoring practice and validate the effectiveness of the project implementation based on collected artifacts and evidence.

All subgrantees upon their first Project Year award, receive trainings: 1) ADE Grants Management Enterprise (GME) System to understand budget request and approval process,

reimbursement requests, revisions and completion reports; 2) AZ CSP Monitoring Handbook to evaluate progress toward written goals - business and finance requirements of the grant, academic evaluation of the school's progress, and governance evaluation. Arizona Charter Schools Program Monitoring Procedures for Awarded Schools (Appendix F, p.136) outlines the following:

*Planning:* AZ CSP awarded schools receive various monitoring in Planning Period Year.

1. First monitoring is the personal interview and final approval of the Project Year Budget application.
2. Final Project Year monitoring is a desk review comparing Special Payments and Cash Management withdrawals with actual personnel, services and expense/capital item expenditures.
3. Onsite monitoring occurs before the end of 1<sup>st</sup> project year to review inventory, financial operation policies and board meeting documents.
4. Funding Applications, Reimbursement Request, and Revisions are reviewed and approved or rejected within five days of submission.

*Implementation:* AZ CSP awarded schools receive minimum of two onsite monitoring visits and various desk monitoring based on amendment and special payment events in its Implementation Year.

1. The first onsite monitoring is to observe the school's educational and operational activities including classroom observations, student learning environment, teacher planning and preparation. This monitoring may take place in two parts with two separate visits: a) an observation to review the school and classroom dynamic. b) A formal review based on the AZ CSP Monitoring Handbook documenting key academic plans.

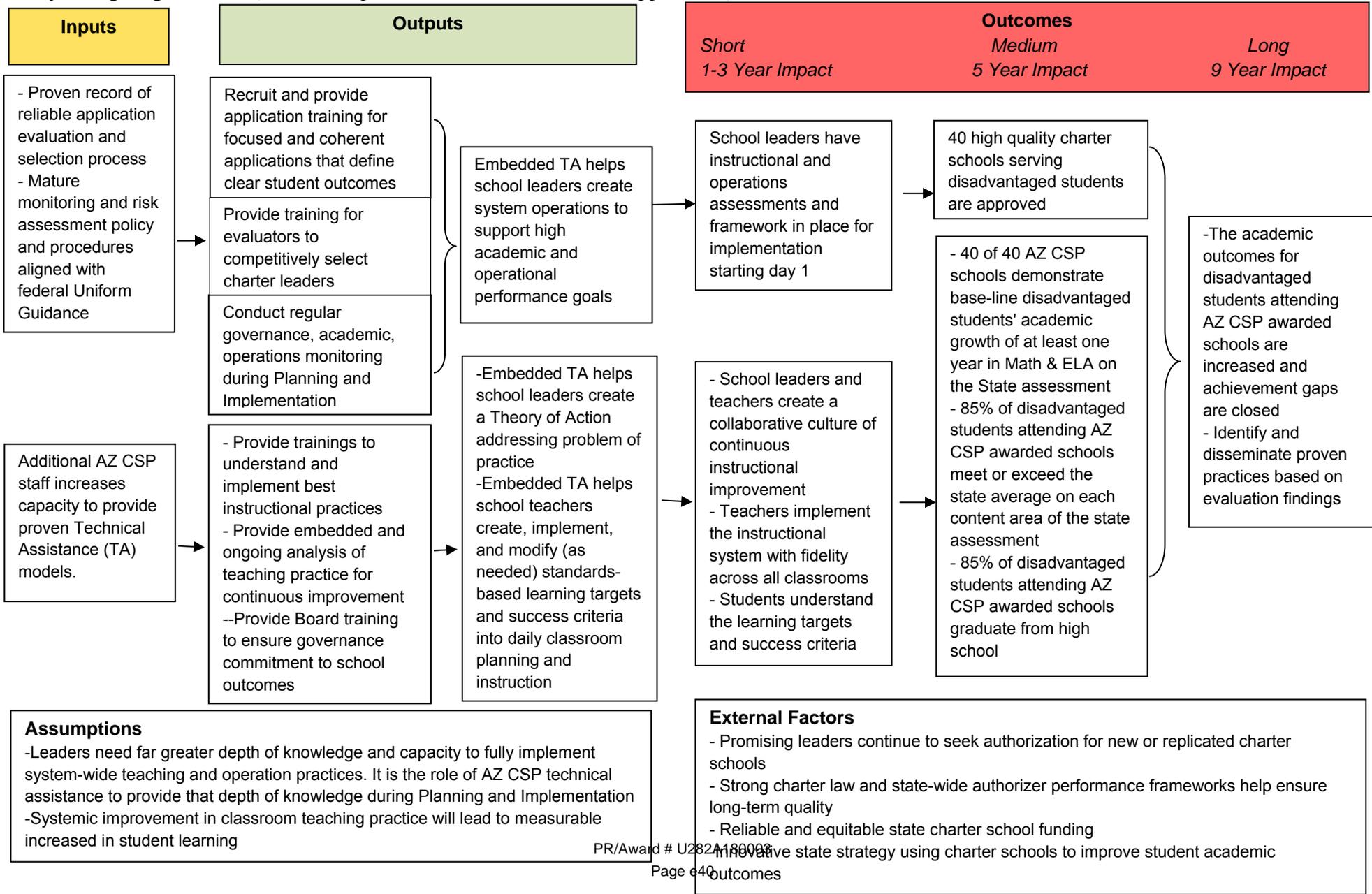
2. The second monitoring is an onsite visit to conduct financial and operational monitoring using the AZ CSP Monitoring Handbook. (In some instances, the order of academic and operation monitoring may be reversed.)
3. Both monitoring visits will also review progress toward educational objectives.
4. Onsite reviews completed by March 31. Final reconciliation of the school's Completion Report with its General Ledger by June 30. Review school final academic data based on state mandated assessments by August 1.

AZ CSP has created an ongoing risk assessment instrument in its monitoring procedures for subgrantees (Appendix F, p.130). The risk assessment rubric (Appendix F, p.134) is used to evaluate risks posed by awarded schools. AZ CSP will review the school's management systems for any risks pertaining to operations and compliance. Schools which are out of compliance will receive a notice from AZ CSP to take corrective action and their grants may be placed on Administrative Hold until corrections are confirmed. Schools with multiple corrective actions in financial operations will be deemed "At Risk," which results in an audit conducted by an ADE Grants Management Financial Auditor. AZ CSP funds will be placed on Administrative Hold until the audit is completed and the results are reviewed.

**Program (Project): Arizona Department of Education Charter Schools Program (AZ CSP) Logic Model**

**Project's Objectives:**

1) Increase the number of high quality charter schools in Arizona focusing on supporting and improving the academic outcomes for educationally disadvantaged students; 2) Close the achievement gaps for all educationally disadvantaged students in AZ CSP schools; 3) Increase high school student academic achievement and graduation by encouraging participation in dual or concurrent enrollment programs or early college high schools (Preference points will be allocated in the application).



2) *The extent to which the goals, objectives, and outcomes to be achieved by the proposed project are clearly specified and measurable (5 points)*

Project Objectives: Arizona Charter Schools Program (AZ CSP) has three primary objectives:

**Objective 1** - Increase the number of high quality charter schools in Arizona focusing on educationally disadvantaged students. Educationally disadvantaged students are defined in this application as 1) racially and ethnically diverse students, economically disadvantaged; 2) students with disabilities, English Language Learners (ELL).

Performance Measure: The number of charter schools open with the potential to become high quality charter schools as proposed in the AZ CSP application.

Performance Target: Open 40 high quality charter schools focusing on supporting and improving the academic outcomes for disadvantaged students over a five-year period.

**Objective 2** - Close achievement gaps for educationally disadvantaged students in AZ CSP schools.

Performance Measure: The number of AZ CSP charter schools that increase their disadvantaged students' academic growth of at least one year and more in each succeeding year in English Language Arts (ELA) and Math on the state standardized assessment.

Performance Target:

The table represents Performance Targets for each of the five cohorts.

Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5
6/8 schools demonstrate at least one year's growth	7/8 demonstrate at least one year's growth and 4/8 demonstrate at least 1.2 year's growth over Project Year 1	7/8 demonstrate at least one year's growth and 5/8 demonstrate at least 1.4 year's growth over Project Year 1	8/8 demonstrate at least one year's growth and 6/8 demonstrate at least 1.6 year's growth over Project Year 1	8/8 demonstrate at least one year's growth and 7/8 demonstrate at least 1.85 year's growth over Project Year 1

**Objective 3** - Increase high school student academic achievement and graduation by encouraging participation in dual or concurrent enrollment programs or early college high schools (Preference points for dual/concurrent early college programs will be allocated in the application).

**Performance Measure:**

- The percentage of AZ CSP charter schools demonstrates that their disadvantaged students have a higher graduation rate and exceeds the state average of similar student demographics on each content area on the state assessment.

**Performance Target:**

- Student academic achievement of disadvantaged students at 85% of AZ CSP charter schools will meet or exceed the state average of students with similar student demographics on each content area on the state assessment by the end of year 5 of their grant period.
- The graduation rate of disadvantaged students at 85% of AZ CSP charter schools will meet or exceed the state average graduation rate of students with similar student demographics by the end of year 5 of their grant period.

**Long-term outcomes (after five years):**

- The academic outcomes for disadvantaged students attending AZ CSP awarded schools are increased and achievement gaps are closed.
- Identify and disseminate proven practices based on evaluation findings.

**Contributions:**

With the AZ CSP funding and technical assistance resources, Arizona seeks to create 40 new high-quality charter schools to serve disadvantaged students using proven models and practices

that are already working in previously awarded AZ CSP schools. AZ CSP implementation and activities will generate research-based leading indicators from the field and develop an evidence-based framework for creating high-quality charter schools serving educationally disadvantaged students.

**b) Objectives (20 points)**

AZ CSP has three primary objectives as described in the above section.

Past Experience

From its past experience and field work, AZ CSP has generated a set of evidence-based qualitative leading indicators to predict the success of charter schools. It was presented at National Charter School Resource Center SEA Communities of Practice in 2012. The leading indicators of strong governance/leadership, effective academic program, and sound financial/operational structure sum up a system for high quality charter schools to achieve the desired outcomes that guides the selecting process.

**Application Selection**

Strong governance/leadership. Through a competitive application process, AZ CSP selects applicants who have the knowledge, skill and capacity to assemble a highly effective board which advocates for educationally disadvantaged students. Using a formalized and systematic process, the board develops, monitors, and implements a sound strategic plan that enables all students, particularly educationally disadvantaged students, to achieve high academic expectations. The sustainability of the school and succession plan of key leadership is placed on the governing body as well. AZ CSP will encourage all applicants to acquire knowledge and skills necessary through ongoing professional development activities provided by ACSA and

National Charter School Resource Center to design a board that makes a difference in educating disadvantaged students.

Leadership Pipeline. Talented and innovative leaders who execute the board's strategic plan effectively play vital roles in the success of charter schools. The Arizona Charter Schools Association (ACSA) has successfully recruited and trained leaders to open and operate high quality charter schools in high poverty areas. ACSA will continue to cultivate and grow collaboration with organizations such as Teach for America, Beat the Odds, Expect More Arizona, and other similar organizations to support high quality schools implementing proven models and practices to assist disadvantaged students in meeting and exceeding the State expectations and reducing achievement gaps.

Effective academic program. In the subgrant application, AZ CSP applicants must demonstrate knowledge, skill, and capacity to design a formalized and systematic process for developing challenging curriculum with rigorous assessment that meets the unique needs of disadvantaged students and implement research-based instructional practices that work to close the achievement gaps for disadvantaged students, and monitor student achievement through a comprehensive assessment system.

Sound financial/operational structure. Arizona charter schools are held financially accountable by the ASBCS Financial Framework which is built into its charter authorization application and annual monitoring. AZ CSP applicants must demonstrate its ability in designing a formal planning process for short- and long-range strategic resource management that allocates human, material, and fiscal resources in alignment with the purpose of achieving its goals.

AZ CSP will build questions to ensure subgrant applicants follow section 4303 (f)(1)(C)(i) of the ESEA. An evaluation scoring rubric is created in a separate document to provide the criteria for

scoring and its relationship to 4303 (f)(1)(C)(i). It is posted on the AZ CSP website to insure access to all applicants. Failure to address these questions completely will disqualify the application from consideration.

### **Application Evaluation**

AZ CSP has established *Subgrant Application and Award Process Timeline* (Appendix F, p.166) to competitively award qualified applicants. In the application, AZ CSP will post "Call for AZ CSP Subgrant Application Evaluators" on its website and other media means using ADE Procurement protocol. ADE Procurement will make final selection choosing qualified evaluators per established *AZ CSP Evaluator Qualifications* (Appendix F, p.223). Preliminary Review of Subgrant Application by AZ CSP for Administrative Completeness will be completed in November. Evaluators will review and complete application scoring by the beginning of December using the AZ CSP Subgrant Evaluation Criteria aligned with the Subgrant Application. As an example, past subgrant application and evaluation criteria are included in Appendix F (p. 227 & 239). Such criteria will be announced to all eligible applicants and posted on the AZ CSP website for transparency. In January, the State Board of Education approves awardees suggested by the AZ CSP through the established subgrant selection process.

### **Monitoring**

AZ CSP has a structured monitoring and risk assessment system in place to ensure that schools are on the right track towards its goals. The system is described in the above, *Project Design - Rationale* section on pp. 17-19. AZ CSP also works closely with ADE Grants Management Enterprise auditors to ensure accurate financial and program compliance.

### **Professional Development Trainings and Technical Assistance**

AZ CSP provides trainings so that awardees will understand and implement best instructional practices and embedded and ongoing analysis of teaching practice for continuous improvement (Technical Assistance). The detailed trainings and TA plan is described in the above, *Project Design - Rationale* section on pp. 15-17.

### **Assumptions**

The ambitious of AZ CSP's objectives for its program will be carried out under the assumption that leaders need far greater depth of knowledge and capacity to fully implement system-wide teaching and operation practices, that is the role of AZ CSP technical assistance to provide that depth of knowledge during Planning and Implementation. AZ CSP believes systemic improvement in classroom teaching practice will lead to measurable increased in student learning based on research finding and best practices.

Other factors described in the section of *Application Requirements I - A, B, C, E, F, G* (p.44, p.53, p.54, p.55, p. 55, p.56 respectively) are additional elements enabling AZ CSP to achieve its objectives.

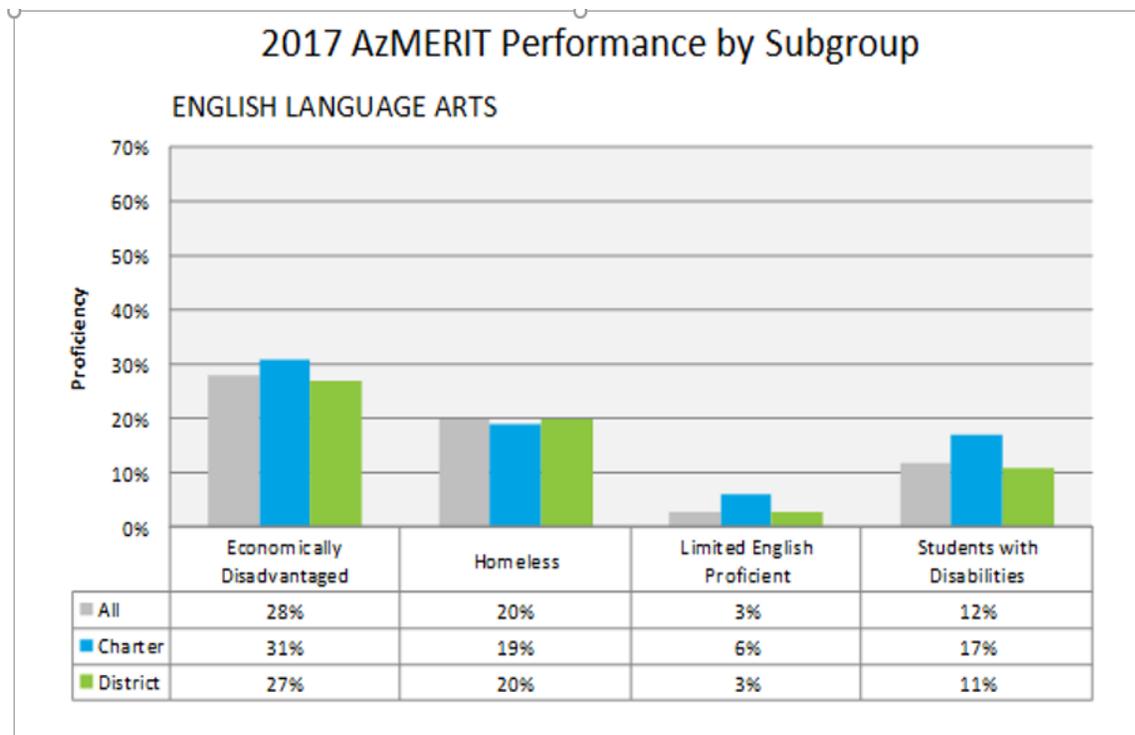
#### **c) Quality of Eligible Subgrant Applicants (15 points)**

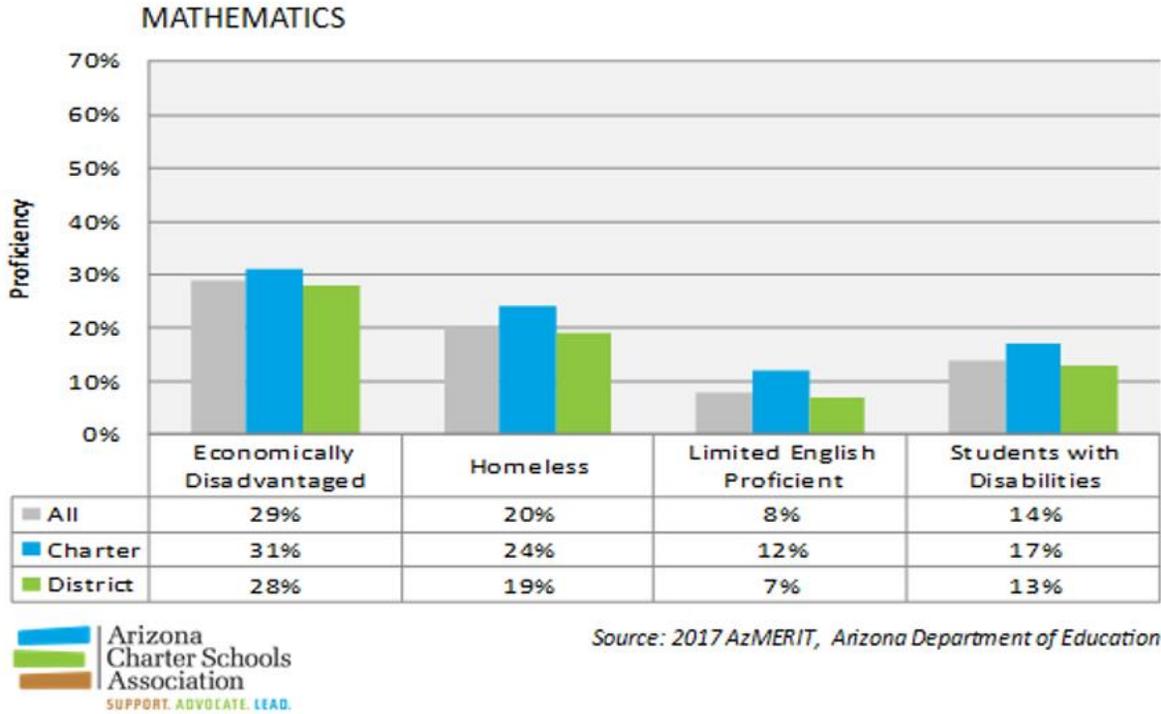
Annually, Arizona State Board for Charter Schools (ASBCS) grants approximately 15-20 charters to new and replication applicants. From FY15-FY18, ASBCS received an average of 29 applications and approved 17 per year. ASBCS has a rigorous review process based on best practices ensuring that only applicants that are met all criteria can get its approval. The authorizing process is detailed in *Competitive Priority 6* (p.6).

Arizona charter schools have led in state and national assessment outcomes. AZ charter students continue to outperform their peers; as AzMERIT (the adopted statewide assessment) results

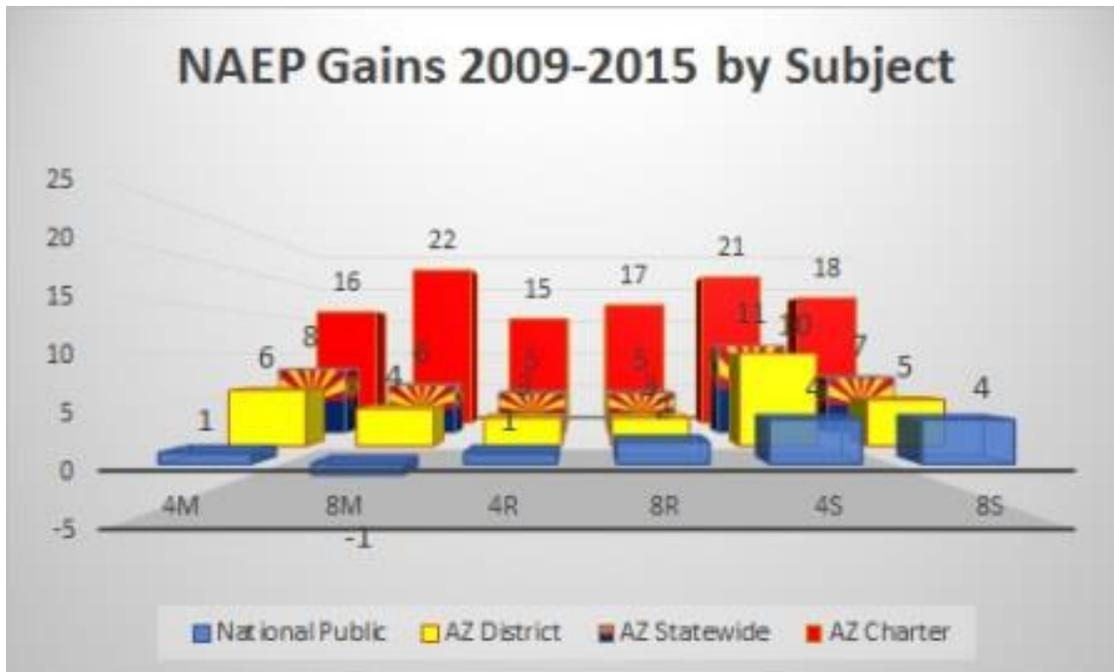
show charter student scored better than the state average in virtually every grade level and subject for the past three years.

AzMERIT charter highlights: charter students outperformed the state average of students passing **by 9 percentage** points and **by 7 percentage** points in English and Math on average respectively. When looking at the percent of students passing the test, 93 and 97 of the top 100 LEAs on Math and English respectively are charters. Arizona charter schools have been providing a choice for families seeking a high-quality public education since the first schools opened in 1995. A record of 185,000 students now attend one of nearly 525 public charter schools statewide. Parental demand for an Arizona charter school education continues to climb. Furthermore, students who are homeless, economically disadvantaged, have limited English proficiency and those with disabilities scored higher than their peers on the English and math exams as presented below, the latest AzMERIT results.





Arizona’s charter students’ performance on the Nation’s Report Card, the National Assessment of Educational Progress has demonstrated significant improvement gains for the state overall. In addition, Arizona’s high-quality charter schools continue to receive national recognition as measured by U.S. News and World Report. The above data demonstrate the capacity for Arizona’s charter school sector to lead the way in improving educational results for Arizona’s children. The following charts and graphics represent the positive impact that charter schools have made upon educational achievement in Arizona. They demonstrate the likelihood that they can improve educational results for Arizona children. Charter students outperformed the state average of students and district students passing the test in English and Math. State and National Impact of Arizona Charter Schools: Results from National Assessment of Education Progress (NAEP) data.



The key for the above graphic is as follows:

1. The first layer- blue columns are the national public school gains across all six NAEP subjects (4th and 8th grade Math, Reading, and Science). These are across time gains rather than cohort gains, calculated by subtracting the 2009 NAEP score from the 2015 score.

Looking at the blue columns shows the following: 1 point on 4th grade math, -1 point on 8th grade math, 1 point on 4th grade reading, 2 points on 8th grade reading, and 4 points on 4th and 8th grade science.

2. The second layer - yellow columns - are the 2009 to 2015 gains for Arizona school districts (no charters).

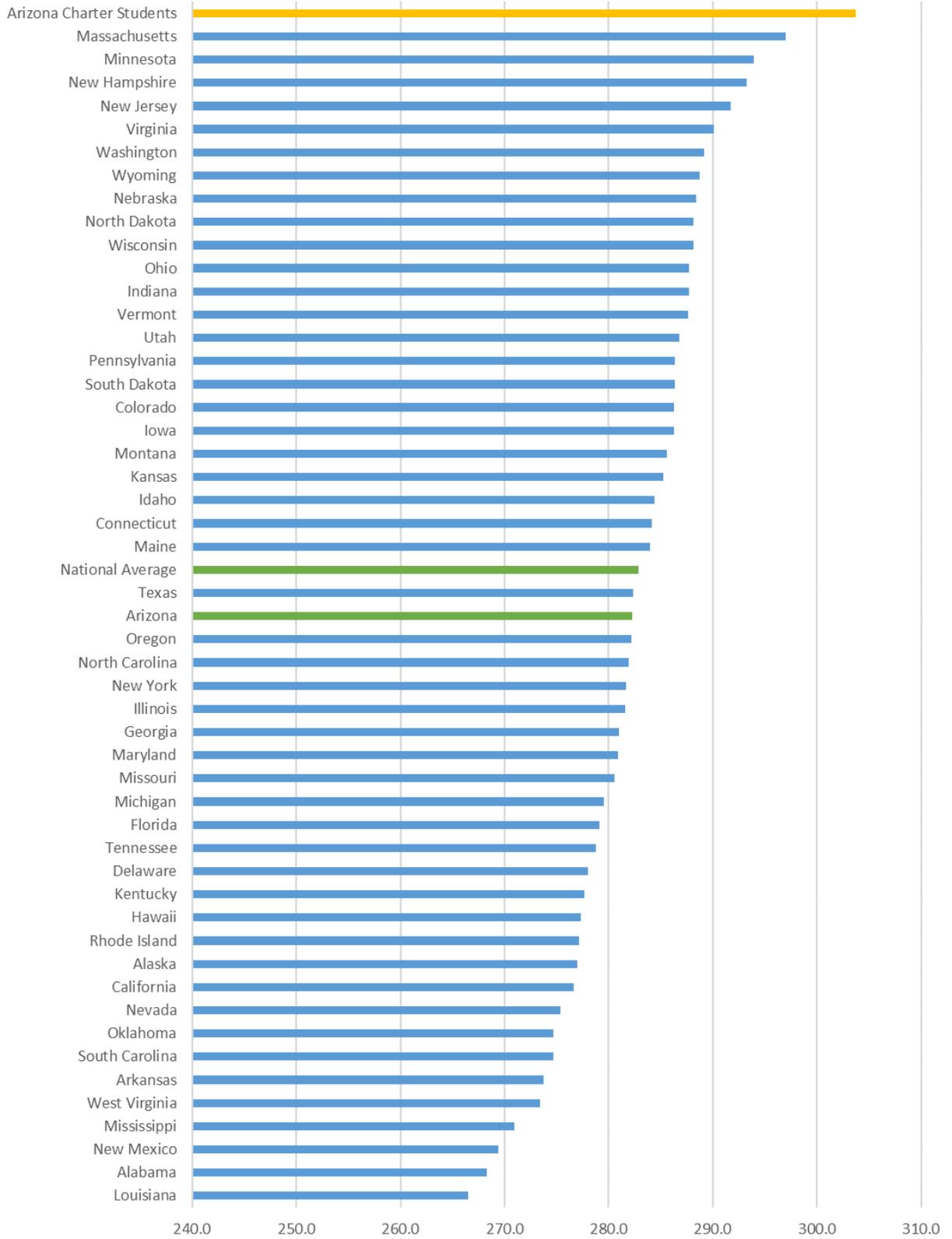
3. The third layer - the Arizona flag columns - are the gains for the combined district and charter schools between 2009 and 2015. These gains are consistently larger than the district gains alone (yellow columns) and larger than the national public averages (blue columns).

Arizona was the only state to have statistically significant gains on all six NAEP exams between 2009 and 2015.

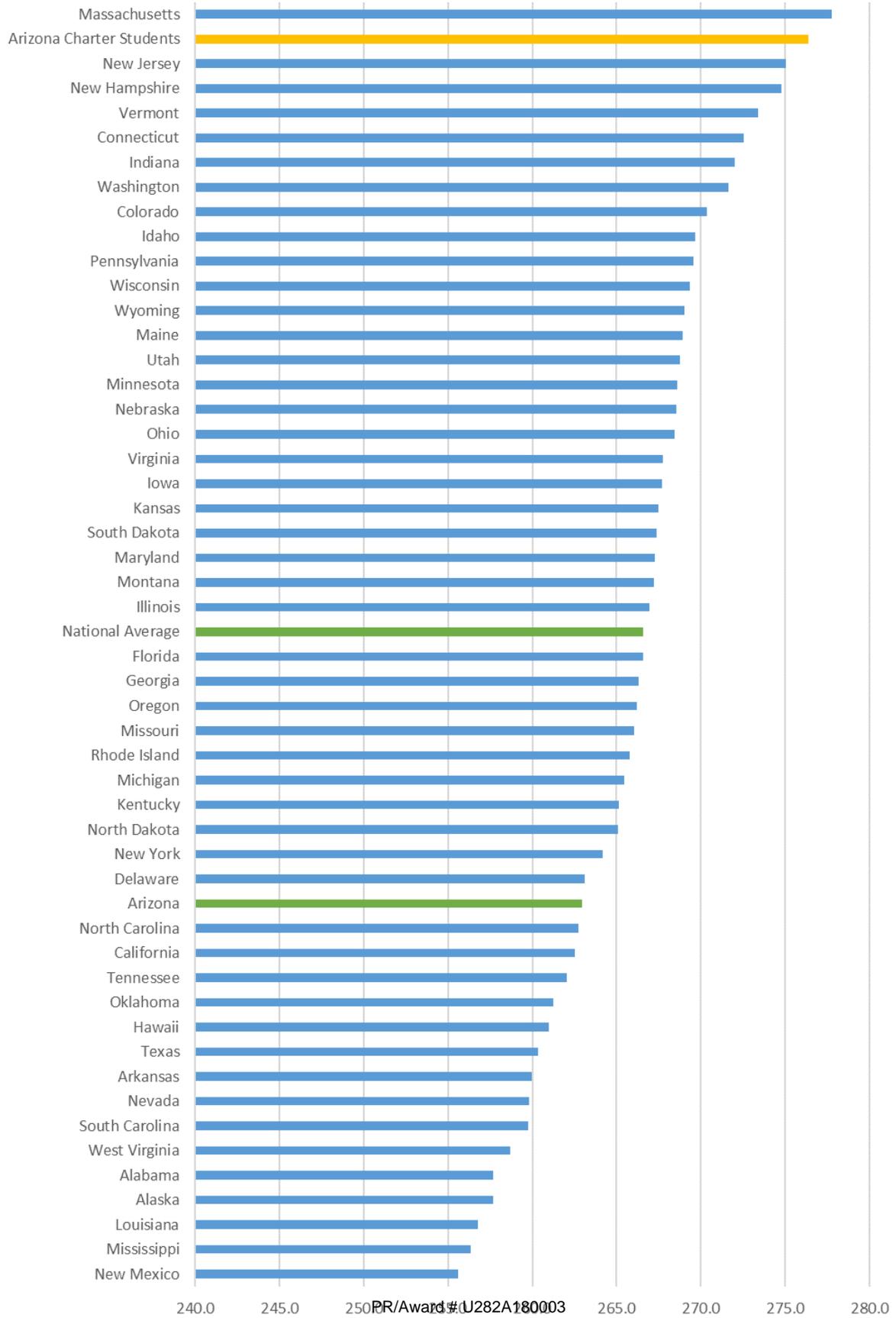
4. The last layer - red columns - represent the gains for Arizona charter schools between 2009 and 2015. The over/under for percentage of Arizona students attending charters in 2015 was around 15%, so although these gains are large, they directly move the statewide needle by the differences between the yellow district columns and the flag columns.

The graph below prepared by the Arizona Charter Schools Association represents the following: if Arizona charter schools were isolated as its own cohort, separate from Arizona district schools; that is, if it were its own state, its charter students rank first in the nation in eighth-grade math, and second for eighth-grade reading.

## 2017 NAEP Results - 8th Grade Mathematics



## 2017 NAEP Results- 8th Grade Reading



AZ CSP projected in its last SEA CSP 2015 grant that “student academic achievement of disadvantaged students at 80% of AZ CSP charter schools will meet or exceed the state average of students with similar student demographics on each content area on the state assessment by the end of year 2 of their grant period”. **In actual performance, 86% of AZ CSP charter schools have met or exceeded the performance goal.** Therefore, the AZ CSP application approval process is a high predictor of school success.

**d) State Plan (20 points)**

*1) Adequately monitor the eligible applicants receiving subgrants*

AZ CSP will continue to monitor closely the performance of all CSP schools to ensure successful planning and implementation of the project per established monitoring procedures and protocols. The detailed AZ CSP Monitoring and Risk Assessment Policy and Procedure was described in the *Project Design - Rationale* section pp. 17-19.

*2) Work with the authorized public chartering agencies involved to avoid duplication of work*

The Arizona Department of Education (ADE), the Arizona State Board for Charter Schools (ASBCS) - authorizer, and charter LEAs are separate, discreet entities, each with their own legal function and reporting requirements and/or responsibilities.

Charter LEAs report their state enrollment, achievement and federal data directly to the ADE.

Charter LEAs accountability for finance and operations audits and academic achievement reports resides with the Arizona State Board for Charter Schools (ASBCS), the authorizer. AZ CSP monitors the progress of its awardees towards their proposed objectives. There is virtually no duplication of reporting between the ADE and ASBCS.

*3) Provide technical assistance and support for -*

*i. The eligible applicants receiving subgrants*

AZ CSP follows established *Subgrant Application and Award Process Timeline* to provide trainings to the eligible applicants. Upon the release of Notice Inviting Subgrant Applications, pre-application training will be conducted via webinar to introduce the logic model components as a part of the theory of action in the application, a road map of the project proposed.

Afterwards, multiple training opportunities will be provided in Tucson, Phoenix, and Flagstaff covering southern, central, and northern Arizona respectively. Training materials will be provided including AZ CSP Subgrant Application, Application Evaluation Criteria, Monitoring Handbook, Risk Assessment framework, Budget Allowance, project timeline, and other internal and external available resources to ensure the success of applicants. Upon the Subgrant Awards announcement made by the State Board of Education, AZ CSP immediately sends Grant Award Notification (GAN) letters (Appendix F, p.167) and schedules an in-person signing meeting with individual awardees. The GAN and signing meeting spells out the terms and conditions of the subgrant including technical assistance provided for their continuous improvement and success during the entire project period.

ADE actively informs all charter schools of all federal funds they are entitled to receive in order to ensure that they are awarded their proportionate share of Federal funds in accordance with 34 CFR 76, Subpart H, commonly referred to as the Charter School Expansion Act. ADE utilizes a wide variety of methods to notify charter schools of their opportunities to apply for Federal funds through a combination of online resources and alerts (web-based and email) including print materials, public announcements through Grant Management Enterprise (GME) system, face-to-face workshops, presentations, and meetings. ADE provides an annual technical assistance/training for all new and significantly expanded charter operators explaining how to prepare an interim plan, apply for funds utilizing the ADE online GME. It further assists them in

estimating the types of funding they would be entitled to receive should they decide to apply for Federal programs. ADE staff also provides such information at several major annual state conferences, including the ADE Title I MEGA Conference, and conferences sponsored by Arizona Charter Schools Association, and Arizona Association of School Business Officials (AASBO). Charter holders are also provided information and resources regarding the process of how they will electronically provide their student counts and poverty data to ADE that will be used to determine the amounts of funding they may be eligible to receive. The online system used to gather this information is the ADE Student Information System (SIS) which is also used to determine State equalization funding. Once it has been determined that a charter school chooses to apply for federal funds, and they have submitted poverty information as required by the Charter School Expansion Act, a charter school can access an online application through ADE GME. A charter school's Charter Application can serve as the school's interim plan, with little if any modification needed. Further, ADE has assigned a fulltime federal Title I specialist to assist new and significantly expanded charter schools to develop and operate an effective and successful consolidated program utilizing their ESEA funds.

ADE has developed the website "Charters and Title I" to assist charter schools in their efforts to receive all funds to which they may be entitled. This technical assistance and web resource, which provides specific guidance to charter schools, has been provided to all charter holders in Arizona, and will be provided to all future charter holders. ADE's Exceptional Student Services (ESS) monitors charter and district school's adherence to federal and state special education requirements. The ESS website includes resources for schools regarding all aspects of a school's special education program from data requirements to program support. After signing a charter contract granted through the new charter application process and prior to the first day of

instruction, the authorized charter representative must attend a full-day ESS training sponsored by ADE. The training includes ESS Grant Management, the IDEA Charter School Expansion Act, the basic entitlement and supplemental grants. Office of English Language Acquisition Services in ADE sends formal notification every year to all LEAs including charter schools notifying them that all Title III funds must be expended to supplement the LEA's current ELL program. The allocation amount for eligible LEAs was calculated and reported on the ADE's School Finance Student Counts.

Further ongoing technical assistance provided by AZ CSP over the five-year project period is described in the *Project Design - Rationale* section, pp. 15-17.

3) ii. *Quality authorizing efforts in the State.*

Arizona State Board for Charter Schools (ASBCS), a separate, companion state agency to Arizona Department of Education (ADE), is the primary authorizer and sponsors 99.9% of charter schools in Arizona. Once the new charter application is released in January, ASBCS conducts new applicant in-person workshop in February. One month before the deadline, ASBCS sets a soft deadline for those who wish to obtain feedback on Administrative Completeness. Online Technical Assistance (OTA) presentations provide additional direction for application instructions, evaluation criteria in each section, and guiding questions to consider when developing responses for the application.

ADE and ASBCS collaborates that the State Superintendent of Public Instruction is on the Board of ASBCS. AZ CSP Project Director attends ASBCS monthly public meetings and monitors its activities. In addition, AZ CSP staff participates in ASBCS TRP charter application review process and retired ASBCS staff participates in AZ CSP application evaluation. Both offices

hold meetings on a regular basis and/or as needed discussing the strengths and weaknesses of the application and authorizing process for future improvement.

**e) Quality of Management Plan (15 points)**

*1) The adequacy of the management plan*

AZ CSP has three primary objectives described in the Abstract. The following **Management Plan** has been designed to ensure the program will achieve desired outcomes.

**Management Plan Objective 1** - Increase the number of high quality charter schools in Arizona focusing on educationally disadvantaged students. Educationally disadvantaged students are defined in this application as 1) racially and ethnically diverse students, economically disadvantaged students; 2) students with disabilities, English Language Learners (ELL).

Performance Measure: The number of charter schools open with the potential to become high quality charter schools as proposed in the AZ CSP application.

Performance Target: Open 40 high quality charter schools focusing on supporting and improving the academic outcomes for disadvantaged students over a five-year period.

Baseline data: ASBCS grants annually approximately 15-20 charters to new and replication applicants through rigorous review process detailed in *Competitive Priority 6*. AZ CSP expects the trend will continue. Since 2009, AZ CSP has received an average of 30 applications per year. (See data presented in the *Quality of the Project Design* section on p.14).

The following table reflects the calendar for Project year 1. Project Years 2 - 5 would be virtually identical.

<b>Activity</b>	<b>Responsibility</b>	<b>Timeline</b>	<b>Milestones</b>	<b>Budget</b>
Partnership with Arizona Charter Schools Association to	AZ CSP and the Association	Currently in place	Charter applications submitted to the authorizer by May 2018 to be	Covered by salary

recruit charter leaders			eligible for January 2019 AZ CSP Award	
Subgrant prospective applicant trainings	AZ CSP	Grant application release on 10/2/2018 posting through ADE and Association websites and release to radio and newspapers	Information meetings in Tucson, Phoenix and Flagstaff	\$500 publicity and training materials \$200 travel expenses for each city
Subgrant application deadline	AZ CSP	11/9/2018	Applications received	Covered by salary
Preliminary review of subgrant application by AZ CSP for Administrative Completeness	AZ CSP	11/12/2018	All applications sent to peer reviewers on 11/13/2018	Covered by salary
Final peer review evaluation using scoring rubric	AZ CSP/Peer reviewers	Scores due 12/10/2018.	All evaluations completed, reviewed and submitted to State Board of Education for January 2019 approval	\$12,000 for training and expenses of peer evaluators
Subgrant awards announcement	AZ State Board of Education (SBE)	1/28/2019. GANS sent to sub recipients 1/28/2019	8 awards	\$50 M (\$10 M per project year, \$1.25M per school over 5 years) to 8 schools over 5 project years
Subgrant monitoring	AZ CSP	2/1/2019 GAN signing meeting and grants management training. First Year Business Operations and Finance	All budget applications submitted and approved 2/20/2019	Covered by salary

		monitoring completed by November 2019		
Subgrant fiscal reporting (Completion report)	AZ CSP/Grants Management	4/30/2020	All Completion Reports submitted and approved	Covered by salary

**Management Plan Objective 2** – Close achievement gaps for educationally disadvantaged students in AZ CSP schools.

Performance Measure: The number of AZ CSP charter schools that increase their disadvantaged students’ academic growth of at least one year and more in each succeeding year in English Language Arts (ELA) and Math on the state standardized assessment.

Performance Target:

The table represents Performance Targets for each of the five cohorts.

Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5
6/8 schools demonstrate at least one year’s growth	7/8 demonstrate at least one year’s growth and 4/8 demonstrate at least 1.2 year’s growth over Project Year 1	7/8 demonstrate at least one year’s growth and 5/8 demonstrate at least 1.4 year’s growth over Project Year 1	8/8 demonstrate at least one year’s growth and 6/8 demonstrate at least 1.6 year’s growth over Project Year 1	8/8 demonstrate at least one year’s growth and 7/8 demonstrate at least 1.85 year’s growth over Project Year 1

Baseline data:

Among 16 previously awarded AZ CSP schools serving disadvantaged students,

- in their first year of operation 5 out of 16 schools demonstrated academic growth of at least one grade level on the state assessment;

- in their third year of operation 14 out of same 16 schools, which received one year of AZ CSP provided technical assistance, demonstrated academic growth of at least one grade level on the state assessment.

The data provides evidence that schools may not meet their goals in the first year when a high percentage of educationally disadvantaged students are enrolled; they can achieve the desired outcomes in the following years with the support of AZ CSP.

Table for schools opening August 2019. Project Years 2 - 5 would be virtually identical.

<b>Activity</b>	<b>Responsibility</b>	<b>Timeline</b>	<b>Milestones</b>	<b>Budget</b>
Hire AZ CSP Business/Finance /Policy Specialist December 2018 (Academic Specialists hired Project Year 2)	AZ CSP	December 2018  (Academic Specialists December 2019)	Specialist hired and commences Business/Finance /Policy training February 2019	Covered by salary
Subgrantees developed governance, academic, financial/operational frameworks that are ready for implementation	Subgrantees working with AZ CSP	Completed by July 2019.	Completed frameworks aligned with the subgrant application	Covered by salary
Monitoring visits and ongoing, embedded technical assistance	AZ CSP	Ongoing; August 2019 through May 2020 and subsequent years	Monitoring visits and ongoing, embedded technical assistance records	\$10,000 in Year 1. It will increase incrementally by \$5000 per year when the number of school cohorts increases.
State summative performance data collected and analyzed for each AZ CSP school	AZ CSP	August 2020 and subsequent years	Completed data collection and analysis reports	Covered by salary
Sharing and disseminating best practices	AZ CSP	Annual Summit, ADE Conferences and AZ CSP website	Presentations and dissemination activity records	\$1000 starting Project Year 4
Preliminary external program evaluation and final program evaluation	ADE Research and Evaluation	Preliminary reports December 2021 and 2024 Final report 2028	Completed and published preliminary and final program evaluation reports	\$9000 Contractual allocation over 7 years

**Management Plan Objective 3** - Increase high school student academic achievement and graduation by encouraging participation in dual or concurrent enrollment programs or early college high schools (Preference points for dual/concurrent early college programs will be allocated in the application).

Performance Measure:

- The percentage of AZ CSP charter schools demonstrates that the percent of their disadvantaged students has a higher graduation rate and exceeds the state average of similar student demographics on each content area on the state assessment.

Performance Target:

- Student academic achievement of disadvantaged students at 85% of AZ CSP charter schools will meet or exceed the state average of students with similar student demographics on each content area on the state assessment by the end of year 5 of their grant period.
- The graduation rate of disadvantaged students at 85% of AZ CSP charter schools will meet or exceed the state average graduation rate of students with similar student demographics by the end of year 5 of their grant period.

Baseline data: In the AZ CSP subgrantee portfolio, 121 subgrants were awarded to highly qualified leaders selected through a rigorous, competitive application process. 63 of all subgrantees have located sustainable operations in low income urban and rural areas serving educationally disadvantaged and divers student populations. Because schools build their operations one-grade-at-a-time over a period of years, only 19 of these schools awarded since 2010 have a 12<sup>th</sup> grade graduating cohort. The average graduation rate for those schools is 93% per Cohort 2016 Four Year Grad Rate data well above the Arizona graduation rate of 80%. AZ CSP anticipates that subgrantees may not meet their goals in the first year of their operation

when a high percentage of educationally disadvantaged students are enrolled, they will achieve the desired outcomes in the following years with the support of AZ CSP. Thus, AZ CSP expects that 85% subgrantees will demonstrate that the percent of their disadvantaged students exceeds the state average on the state assessment and has a higher graduation rate than the state average of similar student demographics. The goal is ambitious yet achievable.

Table for schools opening August 2019. Project Years 2 - 5 would be virtually identical.

<b>Activity</b>	<b>Responsibility</b>	<b>Timeline</b>	<b>Milestones</b>	<b>Budget</b>
Hire AZ CSP Business/Finance /Policy Specialist December 2018 (Academic Specialists hired Project Year 2)	AZ CSP	December 2018  (Academic Specialists December 2019)	Specialist hired and commences Business/Finance /Policy training February 2019	Covered by salary
Subgrantees developed governance, academic, financial/operational frameworks that are ready for implementation	Subgrantees working with AZ CSP	Completed by July 2019.	Completed frameworks aligned with the subgrant application	Covered by salary
Monitoring visits and ongoing, embedded technical assistance	AZ CSP	Ongoing; August 2019 through May 2020 and subsequent years	Monitoring visits and ongoing, embedded technical assistance records	\$10,000 in Year 1. It will increase incrementally by \$5000 per year when the number of school cohorts increases.
State summative performance data collected and analyzed for each AZ CSP school	AZ CSP	August 2020 and subsequent years	Completed data collection and analysis reports	Covered by salary
Sharing and disseminating best practices	AZ CSP	Annual Summit, ADE Conferences and AZ CSP website	Presentations and dissemination activity records	\$1000 starting Project Year 4
Preliminary external program	ADE Research and Evaluation	Preliminary reports	Completed and published	\$9000 Contractual

evaluation and final program evaluation		December 2021 and 2024 Final report 2028	preliminary and final program evaluation reports	allocation over 7 years
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*2) The extent to which the time commitments of project personnel are appropriate and adequate*

The AZ CSP Director and Education Specialists are assigned solely to carry out the work of the SEA CSP grant. They have no assignment in any other Agency units. However, as described in the Budget Narrative, if awarded the 2018 SEA CSP grant, the Director will continue to supervise the remaining two No-Cost Extension Years from its 2015 SEA CSP Grant. This commitment will take about 50% of the Director’s time to close out the 2015 grant in Year 1 and 25% in Year 2. Specialist 1 will also allocate 50% of her time to close out the 2015 grant in Year 1 and 25% in Year 2.

As described in the Budget Narrative, Specialist 2’s work allocation for the 2018 grant will be 100% of time commencing Year 1 through the conclusion of the grant. Specialist 3’s work allocation will be 100% of time commencing Year 2. Specialist 4’s work allocation will be 100% of time commencing Year 3. Specialists 2-4 will not be assigned any work allocation to close out the remaining two years of the 2015 Award No-Cost Extension. In Year 3, all staff work allocation will be 100% through the conclusion of the grant.

Work assignments are the following:

1 FTE AZ CSP Project Director – responsible for overall project goals and final outcomes, supervise project personnel, lead technical assistance to – and monitoring of – sub grantee governance/leadership, academic performance, school finance/operations, and monitor state authorizers.

4 FTE AZ CSP Education Specialists – 3 Specialists will provide academic technical assistance to – and monitor – sub recipient schools for accountability. 1 Specialist will provide

business/finance/policy technical assistance to – and monitor sub recipient schools for accountability.

**f) Parent and Community Involvement (10 points)**

The State Superintendent of Public Instruction conducts an extensive state-wide listening tour twice per year over a period of two months each. The purpose is to solicit and consider input from parents and other members of local communities regarding education in Arizona. The tour includes many locations around the state including rural areas. Because of the expansiveness of Arizona charter law, its flexibility, and lack of barriers to opening charter schools in Arizona, the listening tour is designed for all Arizona citizens including charter school parents.

Also, the Arizona Charter Schools Program application requires applicants to demonstrate support for their charter school in the specified community. Rather than just provide data supporting the need for education alternatives in the form of charter schools, developers must show in the application active partnerships with parents and community groups for their specific charter school. This application requirement mitigates entrepreneurs from opening a new school with little or no community support and little or no enrollment.

**g) Flexibility (5 points)**

The Center for Education Reform (CER), a Washington-based education reform advocacy group, annually ranks each state based on the strength of its charter school laws. State charter school laws are graded, in part, on flexibility and autonomy. Arizona's charter school law has consistently received a grade of "A" from CER. The National Alliance for Public Charter Schools published a report in January 2014, "*Measuring up to the model: A ranking of state charter school laws.*" Arizona ranked second in Automatic Exemptions from Many State and District Laws and Regulations. The evidence on the flexibility afforded to charter schools -

Arizona Revised Statute ARS§15-183, 185, 189 (Appendix F, p.1, p.11, p. 17 respectively), is further explained in the next section. As a result of a strong charter school law, Arizona's charter schools have autonomy over preparation of curriculum and instruction, budgets and expenditures, daily operation, and personnel.

Autonomy and Flexibility over Budgets, Expenditures, and Procurement: Arizona Revised Statute ARS§15-185(B)(5) allows charter schools to have full control over their own budgets and expenditures without a school district or other authorized public chartering agency holding the funds. ARS§15-189.02(A) exempts Arizona charter schools from public bidding requirements if the aggregate dollar amount of the procurement does not exceed the maximum amount of the authorized exemption. ARS§15-189.02 (B) exempts charter schools by request from public bidding requirements that do exceed the maximum exemption. In addition to a procurement rules exception, charter schools may also request and receive an exemption from the Uniform System of Financial Records for Charter Schools (USFRCS). A charter school may elect to seek an exception from either or both the USFRCS and state procurement rules and must submit an alternative accounting policy and/or a procurement policy as a part of their request. Schools that receive an exception to USFRCS are still required to follow the Generally Accepted Accounting Principles and, if they receive federal funds, all financial requirements as defined by EDGAR and Uniform Guidance.

Autonomy and Flexibility Over Daily Operation, Staffing, and Curriculum: Arizona statute requires charter schools to have “a governing body for the charter school that is responsible for the policy decisions of the charter school” (ARS§15-183(E)(7)) but exempts charter schools from any other governing board requirements (ARS§15-183(E)(5)). Charter schools and their self-created boards have complete control over their daily operations including business,

financial, and curricular and instructional decisions. For funding purposes charter schools are expected to meet minimum annual instructional hours and days but have the flexibility to determine an alternative calendar for the school that best meets the school's instructional program design, the needs of students and their families. ARS§15-183(F) permits Arizona charter schools to determine their personnel policies, personnel qualifications and methods of school governance. However, Arizona charter schools may not waive state academic accountability assessments or federal, state, and local rules relating to civil rights, insurance, health, and safety.

## **Application Requirements**

### **I. Description of Program**

*(A) A description of how the State entity will -*

*(1) Support the opening of charter schools*

AZ CSP has three primary objectives: i) Increase the number of high quality charter schools in Arizona focusing on educationally disadvantaged students; ii) Close achievement gaps for educationally disadvantaged students in AZ CSP schools; iii) Increase high school student academic achievement and graduation by encouraging participation in dual or concurrent enrollment programs or early college high schools (Preference points for dual/concurrent early college programs will be allocated in the application).

AZ CSP will seek to create 40 new high-quality charter schools to serve disadvantaged students using proven models and practices that are already working in previously awarded AZ CSP schools. With the AZ CSP funding and technical assistance resources, these awardees will be supported both financially and with access to technical assistance over a five-year period to assist them in planning, program design, and in the initial implementation of their charter schools. AZ

CSP implementation and activities will generate research-based leading indicators from the field and develop an evidence-based framework for creating high-quality charter schools serving educationally disadvantaged students. Further details about the program objectives are addressed in *Selection Criteria (b)* (p. 23)

*(A)(2) Inform the availability of funds under the program*

ADE actively informs all charter schools of all federal funds they are entitled to receive in order to ensure that they are awarded their proportionate share of Federal funds in accordance with 34 CFR 76, Subpart H, commonly referred to as the Charter School Expansion Act. ADE collaborates closely with the ASBCS, the authorizer, through implementing a single coordinated policy for administering the Charter School Expansion Act. ADE utilizes a wide variety of methods to notify charter schools of their opportunities to apply for Federal funds through a combination of online resources and alerts (web-based and email), print materials, public announcements through Grant Management Enterprise (GME) system, face-to-face workshops, presentations, and meetings.

*(A)(3) Work with eligible applicants to ensure that they access all Federal funds*

*a. Participate in the Federal programs*

ADE provides an annual technical assistance/training for all new and significantly expanded charter operators explaining how to prepare an interim plan, apply for funds utilizing the ADE online GME system. It further assists them in estimating the types of funding they would be entitled to receive should they decide to apply for Federal programs. ADE staff also provides new and existing charter operators with information concerning available federal funds, and how those funds may be accessed; including ADE Title I MEGA Conference, conferences sponsored

by Arizona Charter Schools Association, and Arizona Association of School Business Officials (AASBO).

*(A)(3) b. Receive the commensurate share of Federal funds*

Charter holders are also provided information and resources regarding the process of how they will electronically provide their student counts and poverty data to ADE that will be used to determine the amounts of funding they may be eligible to receive. The online system used to gather this information is the ADE Student Information System (SIS) which is also used to determine State equalization funding. Once it has been determined that a charter school chooses to apply for federal funds, and they have submitted poverty information as required by the Charter School Expansion Act, a charter school can access an online application through ADE GME system. Generally, a charter school's Charter Application can serve as the school's interim plan with little if any modification needed. Further, ADE has assigned a fulltime federal Title I specialist to assist new and significantly expanded charter schools to develop and operate an effective and successful consolidated program utilizing their ESEA funds.

*(A)(3) c. Meet the needs of students*

ADE has developed the website "Charters and Title I" to assist charter schools in their efforts to receive all funds to which they are entitled. This technical assistance and web resource, which provides specific guidance to charter schools, has been provided to all charter holders in Arizona, and will be provided to all future charter holders.

ADE's Exceptional Student Services (ESS) monitors charter and district schools adherence to federal and state special education requirements. The ESS website includes resources for schools regarding all aspects of a school's special education program from data requirements to program support. Subsequent to signing a charter contract granted through the new charter application

process and prior to the first day of instruction, the authorized charter representative must attend a full-day ESS training sponsored by ADE. The training includes ESS Grant Management, the IDEA Charter School Expansion Act, the basic entitlement and supplemental grants.

Office of English Language Acquisition Services in ADE sends formal notification every year to all Local Educational Agencies (LEAs) including charter schools notifying them that all Title III funds must be expended to supplement the LEA's current ELL program. The allocation amount for eligible LEAs are calculated and reported on the ADE's School Finance Student Counts.

*(A)(4) Ensure that the authorizer establish clear plans/procedures in case a school closes*

Any charter holder is eligible to submit a *School Closure Notification Request* to the authorizer when the Charter Holder needs to close one of its charter schools. The *Request* must include the Communication Plan detailing the description of the plan to communicate closure to the school community and the description of the plan of how the Charter Holder will assist displaced students with identifying other options and enrolling in another school, and preservation/transfer of student records.

*(A)(5) a & b. In case of a State entity that is not a SEA*

The Arizona Charter Schools Program is a unit in the Arizona Department of Education, the State Educational Agency.

*(A)(6) Ensure that each eligible applicant that receives a subgrant*

*a. is using funds provided under this program*

The applicant must submit an AZ CSP application to apply for the start-up subgrant to obtain assistance in planning, program design, and the initial implementation of their charter schools.

*(A)(6)b. is prepared to continue to operate charter schools*

In the application, the applicant must successfully address the compliance question of

the school's sustainability plan which describes how school governance is prepared to continue to operate charter schools once the subgrant funds are no longer available. Failure to address the question completely will disqualify the application from consideration.

*(A)(7) Support -*

*a. Charter schools in LEAs with a significant number of schools identified for support*

ADE's Support and Innovation unit is to improve LEAs (district and charter) and school systems in order to increase and sustain quality outcomes for Arizona students. All Title I schools use state indicators and elements to identify strengths and needs in order to increase student achievement and strengthen school systems leading to sustainable improvement. When schools are identified as Comprehensive Support and Improvement (CSI) schools, based on insufficient student proficiency/passing rate on the state assessment, the Support and Innovation unit provides targeted support and monitors the LEA's performance. The CSI guidance document outlines the requirements for the CSI schools and activities that the unit provides (Appendix F, p.171).

*(A)(7) b. The use of charter schools to improve struggling schools*

See *Competitive Priority 4* (p.4)

*(A)(8) Work with charter schools on -*

*a. Recruitment and enrollment practices*

An eligible applicant must meet the requirement of serving one of the followings: 1) at least 40% racially and ethnically diverse students; 2) at least 40% economically disadvantaged students eligible for federal lunch program support; 3) at least 40% students with identified disabilities per IDEA, or 4) at least 40% English Language Learners. An applicant must describe its recruitment and enrollment policies for all students, and -

*(A)(8)b. Support all students once they are enrolled to promote retention*

Strategies to support all students meeting their physical, social, and emotional needs.

Thus, the goal of promoting retention and reducing the overuse of discipline practices will be addressed in the application and subsequent monitoring.

*(A)(9) Share best and promising practices between charter and other public schools*

AZ CSP will continue to partner with the agency's Research and Evaluation unit to gather evidenced-based best practices for dissemination. AZ CSP holds multiple trainings every year providing a platform and opportunities for all subgrantees to discuss and share their proven practices. In the past retreats, subgrantees were recognized and invited to present their strong governance structure, comprehensive data system, and positive school culture implemented in their schools as well as strategies in educating students with a high mobility rate. Subgrantees, recommended by the AZ CSP, disseminated their success in leading STEM education and blended learning models at the ADE's annual Leading Change Conference attended by leaders and educators in traditional school districts, charter schools, private schools and other educational entities.

Since 2012, AZ CSP has facilitated Instructional Rounds (IR) program, developed by Harvard Graduate School of Education, with a purpose of engaging charter leaders in continuous improvement by building a common understanding of quality instruction to decrease instructional variation across classrooms and schools. IR creates a collaborative platform enabling educational leaders to strengthen professional networks with a focus on improving teaching and learning. AZ CSP, in collaboration with ADE's Professional Learning Unit, presented the IR values and impacts at the ADE's annual Leading Change Conference and the

annual AZ Framework for Measuring Educator Effectiveness Summit in collaboration with WestED and the Council of Chief State School Officers (CCSSO).

### Future Plans

If this grant is awarded, AZ CSP plans the following activities:

1. To continue participating in the national charter networks such as National Resource Center to generating leading indicators of expanding high-quality charter schools through ongoing, embedded technical assistance.
2. To continue its leading role in identifying promising practices about educating students and issues related to student discipline and school climate that will be disseminated through, but not limited to, summits, conferences, professional learning facilitations, and technical assistance.
3. To disseminate best practices and research findings through the websites of AZ CSP and The Arizona Education Learning and Accountability System (AELAS). AELAS is ADE's comprehensive technology initiative to provide all levels of the educational community with the tools and data necessary to support education transformation, academic growth and accountability.
4. To share success and highlights contributed by charter schools with all subgrantees and other educational communities.
5. To conduct external program evaluation by ADE Research and Evaluation on AZ CSP's initiatives and activities with a purpose of validating practices for dissemination.

*(A)(10) Ensure that charter schools meet the needs of students including disability/ELL*

The ADE Health and Nutrition Services division annual survey reports that 57% of Arizona school students qualify for free or reduced lunch sponsored by the National School Lunch Program. Most of these children and youth reside in large, low income areas with a

history of low academic achievement. According to ADE sources, among 1,112,146 students in AZ public schools, 155,653 are Special Education students, 95,150 are English Language Learners (ELLs), and 14,999 are ELLs with Disabilities. AZ CSP will continue to maintain its current eligibility requirement of serving 40% disadvantaged students. AZ CSP will ensure that awarded schools meet the educational needs of all students including ELLs and students with disabilities. Subgrant application questions will be proposed to applicants how they will recruit and serve ELLs and students with disabilities. Applicants will have to demonstrate in their subgrant application proven ability to recruit those students within the numerical range of the state average. Further, applicants are subject to Uniform Guidance 2 CFR 200.200, especially .205 (a) (c), *Federal Awarding Agency Review of Risk Posed by Applicants*. Thus, AZ CSP can and will take into consideration applicants' level of prior experience in successfully improving educational outcomes of all students including ELLs and students with disabilities.

*(A)(11) Support efforts to increase charter school quality initiatives*

Based on its past experience and field work, AZ CSP has generated a set of evidence-based qualitative leading indicators to predict the success of charter schools. The leading indicators of strong governance/leadership, effective academic program, and sound financial/operational structure sum up a structured system for high quality charter schools to achieve the desired outcomes. AZ CSP will continue to support high quality charter schools with an emphasis on schools to use the system to guide their practices and meet the expectations described in the performance frameworks set forth by the ASBCS.

*(A)(12) a. Providing oversight of authorizing activity*

Arizona has two-fold statutory and regulatory mechanisms in place to ensure authorizer

oversight and accountability. 1) Authorized public chartering agencies in Arizona must submit an annual report to the Auditor General on or before October 1 each year. 2) The primary chartering agency in Arizona, ASBCS, is a state agency and, as a state agency, is required by law to annually submit a report to the legislature for funding its operations, with agency goals and accountability systems for charter schools included in that report. Additional details are described in *Competitive Priority 6* (p.6). Additionally, the Arizona law creating ASBCS is scheduled to sunset every 10 years unless reauthorized. In order to be reauthorized, ASBCS is required to have a comprehensive sunset review conducted by the Office of the Auditor General (OAG). Reauthorization includes a systematic process for evaluating the agency for its effectiveness. Established by Laws 1978, Chapter 210, Arizona's sunset laws provide a rigorous systematic process to evaluate an agency to determine if the merits of the agency justify its continuation, continuation with modification or termination. Agencies subject to sunset review automatically terminate (sunset) if legislation to continue the agency is not approved by the Legislature and Governor.

The most recent sunset review of ASBCS was completed in September 2015, and the Arizona State Legislature reauthorized the agency for ten years in the fall of 2015. Based upon the performance audit, the OAG determined that the ASBCS has improved academic performance oversight and determined that the academic framework, adopted in the fall of 2012, incorporates more rigorous academic standards than required by the SEA.

In addition to a rigorous new charter application process used by ASBCS, Arizona Administrative Code, R7-5-204.11 provides for the following requirements for the Board in determining whether to grant or deny a new charter:

*For the purpose of deciding whether to grant or deny a new charter, the Board shall determine whether the applicant is sufficiently qualified by considering the following:*

*i. The application package; ii. A copy of the scoring rubric completed by the Technical Review Panel; iii. The results of the in-person interview of the applicant's principals; iv. Information obtained through verification and investigation of the backgrounds including employment, experience, education, fingerprint clearance card, and assessment of creditworthiness for each of the principals of the applicant; v. Information concerning any current or former charter operations for any Education Service Provider or principal of the applicant; vi. A Board staff report; and vii. Testimony presented at the Board meeting.*

*(A)(13) Working with eligible applicants to support the opening high schools*

AZ CSP proposes to increase the number of high quality charter schools in Arizona that focus on assisting high school students in meeting and exceeding the State academic expectations. The subgrant application will provide competitive preference points to those schools that increase student access to, participation in, and completion of dual or concurrent enrollment programs or early college high schools.

*(B) A description of the extent to which the State entity -*

*(1) is able to meet and carry out competitive priorities*

ADE CSP is able to meet and carry out competitive preference priorities 1 through

6. See the content details in the *Competitive Preference Priorities 1 - 6*.

*(B)(2) is working to develop or strengthen a cohesive statewide system*

The Arizona Department of Education (ADE) supports the authorization of new, expanded, and replicated charter schools through membership of the State Superintendent of Public Instruction (Superintendent) on the Arizona State Board for Charter Schools (ASBCS) governing body. This relationship between ADE and ASBCS has created a vibrant environment in which 15% of all Arizona students are enrolled in 525 charter school sites across the state's urban and rural areas. On average, the Arizona State Board for Charter Schools (ASBCS) annually authorizes 17 new, expanded, or replicated high quality charter schools. *ARS §15-182 (A)(1)* (Appendix F, p.249). The ASBCS is a state education agency, separate from the Arizona Department of Education, created by state law in 1995 to insure autonomy and integrity of all decisions regarding charter school authorization, monitoring, and accountability. Every Superintendent since the inception of charter law in 1995 has worked collaboratively and positively to promote charter schools by 1) serving as an ASBCS board member to promote the creation, expansion, and replication of high quality charter schools and 2) serving as Agency Chief Officer to ensure that charter schools are treated fairly and equitably.

*(B)(3) is working to develop or strengthen a cohesive strategy to encourage*  
State initiatives from ADE and a charter-led partnership to share best practices are described in the *Competitive Priority 4* (p.4).

*(C) A description of how the State entity will award subgrants*

*(1) A description of the application each eligible applicant will be required to submit i-vi*  
AZ CSP has established *Subgrant Application and Award Process Timeline* (Appendix F, p.166) to award subgrants. In the application, AZ CSP will build questions to ensure subgrant applicants are in compliance with section 4303 (f)(1)(C)(i) of the ESEA. An evaluation scoring rubric is created in a separate document to provide the criteria for scoring and

its relationship to 4303 (f)(1)(C)(i). It is posted on the AZ CSP website to insure access to all applicants. Failure to address these questions completely will disqualify the application from consideration.

*(C)(2) A description of how the State entity will review applications*

AZ CSP will post "Call for AZ CSP Subgrant Application Evaluators" on its website and other media means using ADE Procurement protocol. ADE Procurement will make final selection by choosing qualified evaluators per established *AZ CSP Evaluator Qualifications* (Appendix F, p.223). Preliminary Review of Subgrant Application by AZ CSP for Administrative Completeness will be completed in November. Evaluators will review and complete application scoring by December using the AZ CSP Subgrant Evaluation Criteria. As an example, past subgrant application and evaluation criteria are included in Appendix F (p. 227 & 239). Such criteria will be announced to all eligible applicants and posted on the AZ CSP website for transparency. In January, the State Board of Education approves awardees suggested by the AZ CSP through the established subgrant selection process.

*(D) In case of a State entity that partners with an outside organization*

AZ CSP does not partner with an outside organization to carry out its quality charter school program.

*(E) A description of how the State entity will ensure...for the transportation needs*

An item will be included in the AZ CSP subgrant application requesting applicant to submit its plan of considering and planning for the transportation needs of the school's students.

*(F) A description of how the State addresses charter schools...open meeting laws*

Arizona Revised Statue A.R.S. §15-183(E)(8) mandates the charter school governing

body to follow Open Meeting Law. Therefore, the Open Meeting Law applies to a meeting of a charter school operator's corporate board of directors if (1) a quorum of the charter school governing board is present, and (2) there is discussion about matters that could foreseeably come to a vote before the charter school governing board.

*(G) A description of how the State entity will support diverse charter school models*

In the portfolio of AZ CSP subgrantees, charter schools have demonstrated success in integrating innovative models to educate all students including disadvantaged students, as evidenced by their student academic performance. Examples are: 1) Arizona Autism Charter School implements evidence-based strategies grounded in the principles of Applied Behavior Analysis enabling students to maximize their potential; 2) Western School of Science and Technology, with the mission of improving the academic outcomes of low-income high school students, provides a rigorous college-preparatory curriculum implemented through project-based and laboratory-based inquiry instruction; 3) Madison Highland Prep, a STEM (Science, Technology, Engineering, and Mathematics) high school, has earned a bronze medal from U.S. News & World Report on its national ranking in the publication; 4) Julia Meyerson, founder and executive director of Vista College Preparatory, was recognized by *The New York Times* in January 2014 for her success in educating low-income and Latino students through the strategy grounded in the *Building Excellent Schools* charter school model; 5) Three EAGLE College Preparatory Schools, a part of the network, have consistently outperformed national averages in closing achievement gap through blended learning and character education models; 6) Camino Montessori emphasizes on building children's positive attitudes towards learning rooted in the philosophy of constructivism; 7) Maryvale Archway Classical Academy has adapted its Great Hearts Academies liberal arts, Socratic Method to successfully meet the needs of its students in

one of the highest concentrations of disadvantaged students in Phoenix. These are the few examples among many successful charter schools in Arizona integrating effective and innovative models and practices to increase the academic performance of all students including disadvantaged students. In the subgrant application, AZ CSP will continue to encourage applicants to propose academic programs and instructional practices that work for all students including serving students in rural communities.

## **II. Assurance**

Signed Charter Schools Program Assurances - State Entities is included in this application.

## **III. Requests for Information about Waivers**

*(A) A request and justification for waivers of any Federal statutory*

The ADE CSP does not request any statutory or regulatory waivers at this time.

*(B) A description of any State or local rules that will be waived*

Arizona Revised Statute ARS§15-185(B)(5) allows charter schools to have full control over their own personnel, curriculum and instruction, budgets, and expenditures without a school district or other authorized public chartering agency holding the funds. ARS§15-189.02(A) exempts Arizona charter schools from public bidding requirements if the aggregate dollar amount of the procurement does not exceed the maximum amount of the authorized exemption. ARS§15-189.02 (B) exempts charter schools by request from public bidding requirements that do exceed the maximum exemption. In addition to a procurement rules exception, charter schools may also request and receive an exemption from the Uniform System of Financial Records for Charter Schools (USFRCS). A charter school may elect to seek an exception from either or both the USFRCS and state procurement rules and must submit an alternative accounting policy and/or a procurement policy as a part of their request. Schools that receive an exception to USFRCS are

still required to follow the Generally Accepted Accounting Principles and, if they receive federal funds, all financial requirements as defined by EDGAR and Uniform Guidance.

Arizona statute requires charter schools to have “a governing body for the charter school that is responsible for the policy decisions of the charter school” (ARS§15-183(E)(7)) but exempts charter schools from any other governing board requirements (ARS§15-183(E)(5)). Charter schools and their self-created boards have complete control over their operations.

For funding purposes charter schools are expected to meet minimum annual instructional hours and days but have the flexibility to determine an alternative calendar for the school that best meets the school’s instructional program design, and the needs of the students and their families. ARS§15-183(F) permits Arizona charter schools to determine their personnel policies, personnel qualifications and methods of school governance. However, Arizona charter schools may not waive state academic accountability assessments or federal, state, and local rules relating to civil rights, insurance, health, and safety.

### **Program Performance Measures (GPRA)**

AZ CSP will submit an annual performance report to the Department per the requirement of ed524b to measure the progress:

- 1) The number of charter schools in operation in Arizona and around the Nation.
- 2) The percentage of fourth-and-eighth grade charter school students who are achieving at or above the proficient level on State assessments in mathematics and reading/language arts.
- 3) Any other information required to determine Federal cost per student in implementing a successful school.

## Other Attachment File(s)

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EXPANDING OPPORTUNITY THROUGH QUALITY CHARTER SCHOOLS PROGRAM (CSP)

GRANTS TO STATE ENTITIES

ASSURANCES

Pursuant to section 4303(f)(2) of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (ESEA), and sections 200.302(a) and 200.331(d) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), recipients of Grants to State Entities must provide the assurances described below.

As the duly authorized representative of the grantee, I certify to the following:

(A) Each charter school receiving funds through the State entity's program will have a high degree of autonomy over budget and operations, including autonomy over personnel decisions;

(B) The State entity will support charter schools in meeting the educational needs of their students, including children with disabilities and English learners;

(C) The State entity will ensure that the authorized public chartering agency of any charter school that receives funds under the State entity's program adequately monitors each charter school under the authority of such agency in recruiting, enrolling, retaining, and meeting the needs of all students, including children with disabilities and English learners;

(D) The State entity will provide adequate technical assistance to eligible applicants to meet the objectives described in section 4303(f)(1)(A)(viii) and (f)(2)(B) of the ESEA;

(E) The State entity will promote quality authorizing, consistent with State law, such as through providing technical assistance to support each authorized public chartering agency in the State to improve such agency's ability to monitor the charter schools authorized by the agency, including by - -

1) Assessing annual performance data of the schools, including, as appropriate, graduation rates, student academic growth, and rates of student attrition;

2) Reviewing the schools' independent, annual audits of financial statements prepared in accordance with generally accepted accounting principles, and ensuring that any such audits are publicly reported; and

3) Holding charter schools accountable to the academic, financial, and operational quality controls agreed to between the charter school and the authorized public chartering agency involved, such as through renewal, non - renewal, or revocation of the school's charter;

(F) The State entity will work to ensure that charter schools are included with the traditional public schools in

decision-making about the public school system in the State; and

(G) The State entity will ensure that each charter school receiving funds under the State entity's program makes publicly available, consistent with the dissemination requirements of the annual State report card under section 1111(h) of the ESEA, including on the website of the school, information to help parents make informed decisions about the education options available to their children, including - -

- 1) Information on the educational program;
- 2) Student support services;
- 3) Parent contract requirements (as applicable), including any financial obligations or fees;
- 4) Enrollment criteria (as applicable); and 5) Annual performance and enrollment data for each of the subgroups of students, as defined in section 1111(c)(2) of the ESEA, except that such disaggregation of performance and enrollment data shall not be required in a case in which the number of students in a group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(H) For a State entity that is a State educational agency, State charter school board or Governor of a State, the State entity will expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's own funds. In addition, for all State entities, the State entity's and other non - Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, are sufficient to permit the preparation of reports required by general and program - specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

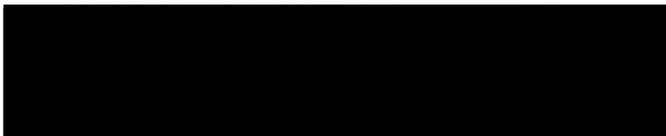
(I) The State entity will monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

**Mark Francis**

**Director**

NAME OF AUTHORIZED OFFICIAL

TITLE



*April 20, 2018*

SIGNATURE OF AUTHORIZED OFFICIAL

DATE

**Arizona Department of Education**

**April 20, 2018**

APPLICANT ORGANIZATION

DATE SUBMITTED

## Mark Francis Resume

Mark Francis is the Director of the Arizona Department of Education (ADE) Charter Schools Program (AZ CSP) since 2009. AZ CSP was awarded its first grant of \$48 M in 2009 and its second grant of 23.5 M in 2015. 111 charter schools were competitively awarded over the past nine years. Of those, 90% are in operation and are meeting state authorizer standards. As Director, he supervises staff responsible for the competitive CSP application, selection of application evaluators, all aspects of subrecipient (school) monitoring, monitoring of state charter authorizers, technical assistance to help AZ CSP awarded schools meet their goals, and communication between AZ CSP and internal ADE federal program officers (i.e., Title I Part A and IDEA Part B). He has presented charter school research findings at state education conferences, annual ED CSP Directors Conference, and the National Resource Center for Charter Schools.

In 1995 Dr. Francis founded Arizona School for the Arts (ASA) in Phoenix, AZ. ASA was the nation's first secondary charter school bestowed the National Blue Ribbon School Award in 2003 and, in the same year, the first charter school recognized by the Arizona Department of Education, Spotlight on School Success. In 2004 the school received an ED CSP Dissemination Grant for its Professional Learning Community model. Located in downtown Phoenix, ASA graduates have been accepted to top colleges, universities and conservatories in the USA and abroad. (Enrollment is by lottery only, there is no arts or academic pre-screening.) In 2007 he turned over his school leadership to his veteran staff to help reorganize the Arizona Charter Schools Association into a professional organization. Based on the school's founding mission, vision and values, ASA, now in its 23rd year, continues to flourish in its urban location.

Mark was awarded the B.A. in music from Augsburg College (now University), Minneapolis, MN in 1970. (In 2017 he was named a Distinguished Alumnus in recognition for his leadership of ASA and AZ CSP.) He received his doctorate in music from the University of Arizona in 1986. He was named UA Outstanding Graduate Student, Faculty of Fine Arts and received the Distinguished Teaching Award. He taught high school music in rural Minnesota and then colleges and universities in Washington, and Arizona. Throughout his career, he has served on the executive boards of arts and education organizations.

## Appendix D

### Proof of Nonprofit Status

Arizona Department of Education is created by the authority of the Arizona Constitution (1912), Article XI (2): *The general conduct and supervision of the public school system shall be vested in a state board of education, a state superintendent of public instruction, county school superintendents, and such governing boards for the state institutions as may be provided by law.*

Department of Education Enabling Legislation ARS §15-231:

- A. There is created a department of education.
- B. The department shall be administered through:
  - 1. The state board of education, which shall be the policy-determining body of the department.
  - 2. The superintendent of public instruction, in whom all executive, administrative and ministerial functions of the department are vested and who is the executive officer responsible for the execution of policies of the state board of education.
- C. In addition to any divisions established by law, the superintendent of public instruction may establish such divisions as in the judgment of the superintendent of public instruction are necessary of the proper transaction of the business of the department.
- D. The department shall be conducted under the control of the superintendent of public instruction.

## Appendix E

### Proprietary Information

Arizona Department of Education makes no proprietary claim to the information contained in this application.

# Appendix F

15-183. Charter schools; application; requirements; immunity; exemptions; renewal of application; reprisal; fee; funds; annual reports

A. An applicant seeking to establish a charter school shall submit a written application to a proposed sponsor as prescribed in subsection C of this section. The application, application process and application time frames shall be posted on the sponsor's website and shall include the following, as specified in the application adopted by the sponsor:

1. A detailed educational plan.
2. A detailed business plan.
3. A detailed operational plan.
4. Any other materials required by the sponsor.

B. The sponsor of a charter school may contract with a public body, private person or private organization for the purpose of establishing a charter school pursuant to this article.

C. The sponsor of a charter school may be either the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts, subject to the following requirements:

1. An applicant may not submit an application for sponsorship to any person or entity other than those prescribed in this subsection.
2. The applicant may submit the application to the state board of education or the state board for charter schools. Notwithstanding any other law, neither the state board for charter schools nor the state board of education shall grant a charter to a school district governing board for a new charter school or for the conversion of an existing district public school to a charter school. The state board of education or the state board for charter schools may approve the application if the application meets the requirements of this article and may approve the charter if the proposed sponsor determines, within its sole discretion, that the applicant is sufficiently qualified to operate a charter school and that the applicant is applying to operate as a separate charter holder by considering factors such as whether:
  - (a) The schools have separate governing bodies, governing body membership, staff, facilities and student population.
  - (b) Daily operations are carried out by different administrators.
  - (c) The applicant intends to have an affiliation agreement for the purpose of providing enrollment preferences.
  - (d) The applicant's charter management organization has multiple charter holders serving varied grade configurations on one physical site or nearby sites serving one community.
  - (e) It is reconstituting an existing school site population at the same or new site.
  - (f) It is reconstituting an existing grade configuration from a prior charter holder with at least one grade remaining on the original site with the other grade or grades moving to a new site. The state

board of education or the state board for charter schools may approve any charter schools transferring charters. If the state board of education or the state board for charter schools rejects the preliminary application, the state board of education or the state board for charter schools shall notify the applicant in writing of the reasons for the rejection and of suggestions for improving the application. An applicant may submit a revised application for reconsideration by the state board of education or the state board for charter schools. The applicant may request, and the state board of education or the state board for charter schools may provide, technical assistance to improve the application.

3. The applicant may submit the application to a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts. A university, a community college district or a group of community college districts shall not grant a charter to a school district governing board for a new charter school or for the conversion of an existing district public school to a charter school. A university, a community college district or a group of community college districts may approve the application if it meets the requirements of this article and if the proposed sponsor determines, in its sole discretion, that the applicant is sufficiently qualified to operate a charter school.

4. Each applicant seeking to establish a charter school shall submit a full set of fingerprints to the approving agency for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. If an applicant will have direct contact with students, the applicant shall possess a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The criminal records check shall be completed before the issuance of a charter.

5. All persons engaged in instructional work directly as a classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal shall have a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1, unless the person is a volunteer or guest speaker who is accompanied in the classroom by a person with a valid fingerprint clearance card. A charter school shall not employ a teacher whose certificate has been surrendered or revoked, unless the teacher's certificate has been subsequently reinstated by the state board of education. All other personnel shall be fingerprint checked pursuant to section 15-512, or the charter school may require those personnel to obtain a fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1. Before employment, the charter school shall make documented, good faith efforts to contact previous employers of a person to obtain information and recommendations that may be relevant to a person's fitness for employment as prescribed in section 15-512, subsection F. The charter school shall notify the department of public safety if the charter school or sponsor receives credible evidence that a person who possesses a valid fingerprint clearance card is arrested for or is charged with an offense listed in section 41-1758.03, subsection B. A person who is employed at a charter school that has met the requirements of this paragraph is not required to meet any additional requirements that are established by the department of education or that may be established by rule by the state board of education. The state board of education may not adopt rules that exceed the requirements for persons qualified to teach in charter schools prescribed in title I of the every student succeeds act (P.L. 114-95) or the individuals with disabilities education improvement act of 2004 (P.L. 108-446). Charter schools may hire personnel who have not yet received a fingerprint clearance card if proof is provided of the submission of an application to the department of public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant does all of the following:

(a) Documents in the applicant's file the necessity for hiring and placement of the applicant before receiving a fingerprint clearance card.

(b) Ensures that the department of public safety completes a statewide criminal records check on the applicant. A statewide criminal records check shall be completed by the department of public safety every one hundred twenty days until the date that the fingerprint check is completed or the fingerprint clearance card is issued or denied.

(c) Obtains references from the applicant's current employer and the two most recent previous employers except for applicants who have been employed for at least five years by the applicant's most recent employer.

(d) Provides general supervision of the applicant until the date that the fingerprint card is obtained.

(e) Completes a search of criminal records in all local jurisdictions outside of this state in which the applicant has lived in the previous five years.

(f) Verifies the fingerprint status of the applicant with the department of public safety.

6. A charter school that complies with the fingerprinting requirements of this section shall be deemed to have complied with section 15-512 and is entitled to the same rights and protections provided to school districts by section 15-512.

7. If a charter school operator is not already subject to a public meeting or hearing by the municipality in which the charter school is located, the operator of a charter school shall conduct a public meeting at least thirty days before the charter school operator opens a site or sites for the charter school. The charter school operator shall post notices of the public meeting in at least three different locations that are within three hundred feet of the proposed charter school site.

8. A person who is employed by a charter school or who is an applicant for employment with a charter school, who is arrested for or charged with a nonappealable offense listed in section 41-1758.03, subsection B and who does not immediately report the arrest or charge to the person's supervisor or potential employer is guilty of unprofessional conduct and the person shall be immediately dismissed from employment with the charter school or immediately excluded from potential employment with the charter school.

9. A person who is employed by a charter school and who is convicted of any nonappealable offense listed in section 41-1758.03, subsection B or is convicted of any nonappealable offense that amounts to unprofessional conduct under section 15-550 shall immediately do all of the following:

(a) Surrender any certificates issued by the department of education.

(b) Notify the person's employer or potential employer of the conviction.

(c) Notify the department of public safety of the conviction.

(d) Surrender the person's fingerprint clearance card.

D. An entity that is authorized to sponsor charter schools pursuant to this article has no legal authority over or responsibility for a charter school sponsored by a different entity. This subsection does not apply to the state board of education's duty to exercise general supervision over the public school system pursuant to section 15-203, subsection A, paragraph 1.

E. The charter of a charter school shall do all of the following:

1. Ensure compliance with federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance. The department of education shall publish a list of relevant rules, regulations and statutes to notify charter schools of their responsibilities under this paragraph.
  2. Ensure that it is nonsectarian in its programs, admission policies and employment practices and all other operations.
  3. Ensure that it provides a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve, except that a school may offer this curriculum with an emphasis on a specific learning philosophy or style or certain subject areas such as mathematics, science, fine arts, performance arts or foreign language.
  4. Ensure that it designs a method to measure pupil progress toward the pupil outcomes adopted by the state board of education pursuant to section 15-741.01, including participation in the statewide assessment and the nationally standardized norm-referenced achievement test as designated by the state board and the completion and distribution of an annual report card as prescribed in chapter 7, article 3 of this title.
  5. Ensure that, except as provided in this article and in its charter, it is exempt from all statutes and rules relating to schools, governing boards and school districts.
  6. Ensure that, except as provided in this article, it is subject to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as prescribed in chapter 2, article 4 of this title, procurement rules as prescribed in section 15-213 and audit requirements. The auditor general shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of financial records that relate to charter schools are in accordance with commonly accepted accounting principles used by private business. A school's charter may include exceptions to the requirements of this paragraph that are necessary as determined by the university, the community college district, the group of community college districts, the state board of education or the state board for charter schools. The department of education or the office of the auditor general may conduct financial, program or compliance audits.
  7. Ensure compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.
  8. Ensure that it provides for a governing body for the charter school that is responsible for the policy decisions of the charter school. Notwithstanding section 1-216, if there is a vacancy or vacancies on the governing body, a majority of the remaining members of the governing body constitute a quorum for the transaction of business, unless that quorum is prohibited by the charter school's operating agreement.
  9. Ensure that it provides a minimum of one hundred eighty instructional days before June 30 of each fiscal year unless it is operating on an alternative calendar approved by its sponsor. The superintendent of public instruction shall adjust the apportionment schedule accordingly to accommodate a charter school utilizing an alternative calendar.
- F. A charter school shall keep in the personnel file of all current employees who provide instruction to pupils at the charter school information about the employee's educational and teaching background and experience in a particular academic content subject area. A charter school shall inform parents

and guardians of the availability of the information and shall make the information available for inspection on request of parents and guardians of pupils enrolled at the charter school. This subsection does not require any charter school to release personally identifiable information in relation to any teacher or employee, including the teacher's or employee's address, salary, social security number or telephone number.

G. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor.

H. Charter schools may contract, sue and be sued.

I. The charter is effective for fifteen years from the first day of the fiscal year as specified in the charter, subject to the following:

1. At least eighteen months before the expiration of the charter, the sponsor shall notify the charter school that the charter school may apply for renewal and shall make the renewal application available to the charter school. A charter school that elects to apply for renewal shall file a complete renewal application at least fifteen months before the expiration of the charter. A sponsor shall give written notice of its intent not to renew the charter school's request for renewal to the charter school at least twelve months before the expiration of the charter. The sponsor shall make data used in making renewal decisions available to the school and the public and shall provide a public report summarizing the evidence basis for each decision. The sponsor may deny the request for renewal if, in its judgment, the charter holder has failed to do any of the following:

(a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework.

(b) Meet the operational performance expectations set forth in the performance framework or any improvement plans.

(c) Complete the obligations of the contract.

(d) Comply with this article or any provision of law from which the charter school is not exempt.

2. A charter operator may 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. The sponsor may deny the request for early renewal if, in the sponsor's judgment, the charter holder has failed to do any of the following:

(a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework.

(b) Meet the operational performance expectations set forth in the performance framework or any improvement plans.

(c) Complete the obligations of the contract.

(d) Comply with this article or any provision of law from which the charter school is not exempt.

3. A sponsor shall review a charter at five-year intervals using a performance framework adopted by the sponsor and may revoke a charter at any time if the charter school breaches one or more provisions of its charter or if the sponsor determines that the charter holder has failed to do any of the following:

(a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework.

(b) Meet the operational performance expectations set forth in the performance framework or any improvement plans.

(c) Comply with this article or any provision of law from which the charter school is not exempt.

4. In determining whether to renew or revoke a charter holder, the sponsor must consider making sufficient progress toward the academic performance expectations set forth in the sponsor's performance framework as one of the most important factors.

5. At least sixty days before the effective date of the proposed revocation, the sponsor shall give written notice to the operator of the charter school of its intent to revoke the charter. Notice of the sponsor's intent to revoke the charter shall be delivered personally to the operator of the charter school or sent by certified mail, return receipt requested, to the address of the charter school. The notice shall incorporate a statement of reasons for the proposed revocation of the charter. The sponsor shall allow the charter school at least sixty days to correct the problems associated with the reasons for the proposed revocation of the charter. The final determination of whether to revoke the charter shall be made at a public hearing called for such purpose.

J. The charter may be renewed for successive periods of twenty years.

K. A charter school that is sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts may not be located on the property of a school district unless the district governing board grants this authority.

L. A governing board or a school district employee who has control over personnel actions shall not take unlawful reprisal against another employee of the school district because the employee is directly or indirectly involved in an application to establish a charter school. A governing board or a school district employee shall not take unlawful reprisal against an educational program of the school or the school district because an application to establish a charter school proposes the conversion of all or a portion of the educational program to a charter school. For the purposes of this subsection, "unlawful reprisal" means an action that is taken by a governing board or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to another employee or an education program and:

1. With respect to a school district employee, results in one or more of the following:

(a) Disciplinary or corrective action.

(b) Detail, transfer or reassignment.

(c) Suspension, demotion or dismissal.

(d) An unfavorable performance evaluation.

(e) A reduction in pay, benefits or awards.

(f) Elimination of the employee's position without a reduction in force by reason of lack of monies or work.

(g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification.

2. With respect to an educational program, results in one or more of the following:

(a) Suspension or termination of the program.

(b) Transfer or reassignment of the program to a less favorable department.

(c) Relocation of the program to a less favorable site within the school or school district.

(d) Significant reduction or termination of funding for the program.

M. Charter schools shall secure insurance for liability and property loss. The governing body of a charter school that is sponsored by the state board of education or the state board for charter schools may enter into an intergovernmental agreement or otherwise contract to participate in an insurance program offered by a risk retention pool established pursuant to section 11-952.01 or 41-621.01 or the charter school may secure its own insurance coverage. The pool may charge the requesting charter school reasonable fees for any services it performs in connection with the insurance program.

N. Charter schools do not have the authority to acquire property by eminent domain.

O. A sponsor, including members, officers and employees of the sponsor, is immune from personal liability for all acts done and actions taken in good faith within the scope of its authority.

P. Charter school sponsors and this state are not liable for the debts or financial obligations of a charter school or persons who operate charter schools.

Q. The sponsor of a charter school shall establish procedures to conduct administrative hearings on determination by the sponsor that grounds exist to revoke a charter. Procedures for administrative hearings shall be similar to procedures prescribed for adjudicative proceedings in title 41, chapter 6, article 10. Except as provided in section 41-1092.08, subsection H, final decisions of the state board of education and the state board for charter schools from hearings conducted pursuant to this subsection are subject to judicial review pursuant to title 12, chapter 7, article 6.

R. The sponsoring entity of a charter school shall have oversight and administrative responsibility for the charter schools that it sponsors. In implementing its oversight and administrative responsibilities, the sponsor shall ground its actions in evidence of the charter holder's performance in accordance with the performance framework adopted by the sponsor. The performance framework shall be publicly available, shall be placed on the sponsoring entity's website and shall include:

1. The academic performance expectations of the charter school and the measurement of sufficient progress toward the academic performance expectations.

2. The operational expectations of the charter school, including adherence to all applicable laws and obligations of the charter contract.

3. Intervention and improvement policies.

S. Charter schools may pledge, assign or encumber their assets to be used as collateral for loans or extensions of credit.

T. All property accumulated by a charter school shall remain the property of the charter school.

U. Charter schools may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the agreement in the office of the county recorder as a restrictive covenant running with the title to the land, the charter school may locate a school within the affected buffer zone. The agreement may include any stipulations regarding the charter school, including conditions for future expansion of the school and changes in the operational status of the school that will result in a breach of the agreement.

V. A transfer of a charter to another sponsor, a transfer of a charter school site to another sponsor or a transfer of a charter school site to a different charter shall be completed before the beginning of the fiscal year that the transfer is scheduled to become effective. An entity that sponsors charter schools may accept a transferring school after the beginning of the fiscal year if the transfer is approved by the superintendent of public instruction. The superintendent of public instruction shall have the discretion to consider each transfer during the fiscal year on a case-by-case basis. A charter holder seeking to transfer sponsors shall comply with the current charter terms regarding assignment of the charter. A charter holder transferring sponsors shall notify the current sponsor that the transfer has been approved by the new sponsor.

W. Notwithstanding subsection V of this section, a charter holder on an improvement plan must notify parents or guardians of registered students of the intent to transfer the charter and the timing of the proposed transfer. On the approved transfer, the new sponsor shall enforce the improvement plan but may modify the plan based on performance.

X. Notwithstanding subsection Y of this section, the state board for charter schools shall charge a processing fee to any charter school that amends its contract to participate in Arizona online instruction pursuant to section 15-808. The charter Arizona online instruction processing fund is established consisting of fees collected and administered by the state board for charter schools. The state board for charter schools shall use monies in the fund only for the processing of contract amendments for charter schools participating in Arizona online instruction. Monies in the fund are continuously appropriated.

Y. The sponsoring entity may not charge any fees to a charter school that it sponsors unless the sponsor has provided services to the charter school and the fees represent the full value of those services provided by the sponsor. On request, the value of the services provided by the sponsor to the charter school shall be demonstrated to the department of education.

Z. Charter schools may enter into an intergovernmental agreement with a presiding judge of the juvenile court to implement a law-related education program as defined in section 15-154. The presiding judge of the juvenile court may assign juvenile probation officers to participate in a law-

related education program in any charter school in the county. The cost of juvenile probation officers who participate in the program implemented pursuant to this subsection shall be funded by the charter school.

AA. The sponsor of a charter school shall modify previously approved curriculum requirements for a charter school that wishes to participate in the board examination system prescribed in chapter 7, article 6 of this title.

BB. If a charter school decides not to participate in the board examination system prescribed in chapter 7, article 6 of this title, pupils enrolled at that charter school may earn a Grand Canyon diploma by obtaining a passing score on the same board examinations.

CC. Notwithstanding subsection Y of this section, a sponsor of charter schools may charge a new charter application processing fee to any applicant. The application fee shall fully cover the cost of application review and any needed technical assistance. Authorizers may approve policies that allow a portion of the fee to be returned to the applicant whose charter is approved.

DD. A charter school may choose to provide a preschool program for children with disabilities pursuant to section 15-771.

EE. Pursuant to the prescribed graduation requirements adopted by the state board of education, the governing body of a charter school operating a high school may approve a rigorous computer science course that would fulfill a mathematics course required for graduation from high school. The governing body may approve a rigorous computer science course only if the rigorous computer science course includes significant mathematics content and the governing body determines the high school where the rigorous computer science course is offered has sufficient capacity, infrastructure and qualified staff, including competent teachers of computer science.

FF. A charter school may permit the use of school property, including school buildings, grounds, buses and equipment, by any person, group or organization for any lawful purpose, including a recreational, educational, political, economic, artistic, moral, scientific, social, religious or other civic or governmental purpose. The charter school may charge a reasonable fee for the use of the school property.

GG. A charter school and its employees, including the governing body, or chief administrative officer, are immune from civil liability with respect to all decisions made and actions taken to allow the use of school property, unless the charter school or its employees are guilty of gross negligence or intentional misconduct. This subsection does not limit any other immunity provisions that are prescribed by law.

HH. Sponsors authorized pursuant to this section shall submit an annual report to the auditor general on or before October 1. The report shall include:

1. The current number of charters authorized and the number of schools operated by authorized charter holders.
2. The academic and operational performance of the sponsor's charter portfolio as measured by the sponsor's adopted performance framework.
3. For the prior year, the number of new charters approved, the number of charter schools closed and the reason for the closure.

4. The sponsor's application, amendment, renewal and revocation processes, charter contract template and current performance framework as required by this section.

II. The auditor general shall prescribe the format for the annual report required by subsection HH of this section and may require that the annual report be submitted electronically. The auditor general shall review the submitted annual reports to ensure that the reports include the required items in subsection HH of this section and shall make the annual reports available on request. If the auditor general finds significant noncompliance or if a sponsor fails to submit the annual report required by subsection HH of this section, on or before December 31 of each year the auditor general shall report to the governor, the president of the senate, the speaker of the house of representatives and the chairs of the senate and house education committees or their successor committees, and the legislature shall consider revoking the sponsor's authority to sponsor charter schools.

15-185. Charter schools; financing; civil penalty; transportation; definition

A. A school district is not financially responsible for any charter school that is sponsored by the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts.

B. Financial provisions for a charter school that is sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts are as follows:

1. The charter school shall calculate a base support level as prescribed in section 15-943, except that:

(a) Section 15-941 does not apply to these charter schools.

(b) The small school weights prescribed in section 15-943, paragraph 1 apply if a charter holder, as defined in section 15-101, holds one charter for one or more school sites and the average daily membership for the school sites are combined for the calculation of the small school weight. The small school weight shall not be applied individually to a charter holder if one or more of the following conditions exist and the combined average daily membership derived from the following conditions is greater than six hundred:

(i) The organizational structure or management agreement of the charter holder requires the charter holder or charter school to contract with a specific management company.

(ii) The governing body of the charter holder has identical membership to another charter holder in this state.

(iii) The charter holder is a subsidiary of a corporation that has other subsidiaries that are charter holders in this state.

(iv) The charter holder holds more than one charter in this state.

(c) Notwithstanding subdivision (b) of this paragraph, for fiscal years 2015-2016 and 2016-2017 the department of education shall reduce by thirty-three percent the amount provided by the small school weight for charter schools prescribed in subdivision (b) of this paragraph.

2. Notwithstanding paragraph 1 of this subsection, the student count shall be determined initially using an estimated student count based on actual registration of pupils before the beginning of the school year. Notwithstanding section 15-1042, subsection F, student level data submitted to the department may be used to determine estimated student counts. After the first forty days, one hundred days or two hundred days in session, as applicable, the charter school shall revise the student count to be equal to the actual average daily membership, as defined in section 15-901, of the charter school. Before the fortieth day, one hundredth day or two hundredth day in session, as applicable, the state board of education, the state board for charter schools, the sponsoring university, the sponsoring community college district or the sponsoring group of community college districts may require a charter school to report periodically regarding pupil enrollment and attendance, and the department of education may revise its computation of equalization assistance based on the report. A charter school shall revise its student count, base support level and charter additional assistance before May 15. A charter school that overestimated its student count shall revise its budget before May 15. A charter school that underestimated its student count may revise its budget before May 15.

3. A charter school may utilize section 15-855 for the purposes of this section. The charter school and the department of education shall prescribe procedures for determining average daily membership.

4. Equalization assistance for the charter school shall be determined by adding the amount of the base support level and charter additional assistance. The amount of the charter additional assistance is one thousand seven hundred seventy-five dollars five cents per student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and two thousand sixty-eight dollars seventy-nine cents per student count in grades nine through twelve.

5. The state board of education shall apportion state aid from the appropriations made for such purposes to the state treasurer for disbursement to the charter schools in each county in an amount as determined by this paragraph. The apportionments shall be made as prescribed in section 15-973, subsection B.

6. The charter school shall not charge tuition for pupils who reside in this state, levy taxes or issue bonds. A charter school may admit pupils who are not residents of this state and shall charge tuition for those pupils in the same manner prescribed in section 15-823.

7. Not later than noon on the day preceding each apportionment date established by paragraph 5 of this subsection, the superintendent of public instruction shall furnish to the state treasurer an abstract of the apportionment and shall certify the apportionment to the department of administration, which shall draw its warrant in favor of the charter schools for the amount apportioned.

C. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the sum of the daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 1, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 5, for that pupil in the school district and the charter school shall not exceed 1.0. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the department of education shall direct the average daily membership to the school with the most recent enrollment date. On validation of actual enrollment in both a charter school and a public school that is not a charter school and if the sum of the daily membership or daily attendance for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the public school and the charter school based on the percentage of total time that the pupil is enrolled or in attendance in the public school and the charter school. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this section.

D. Charter schools are allowed to accept grants and gifts to supplement their state funding, but it is not the intent of the charter school law to require taxpayers to pay twice to educate the same pupils. The base support level for a charter school or for a school district sponsoring a charter school shall be reduced by an amount equal to the total amount of monies received by a charter school from a federal or state agency if the federal or state monies are intended for the basic maintenance and operations of the school. The superintendent of public instruction shall estimate the amount of the reduction for the budget year and shall revise the reduction to reflect the actual amount before May 15 of the current year. If the reduction results in a negative amount, the negative amount shall be used in computing all budget limits and equalization assistance, except that:

1. Equalization assistance shall not be less than zero.

2. For a charter school sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts, the total of the base support level and the charter additional assistance shall not be less than zero.

E. If a charter school was a district public school in the prior year and sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts, the reduction in subsection D of this section applies. The reduction to the base support level of the charter school shall equal the sum of the base support level and the charter additional assistance received in the current year for those pupils who were enrolled in the traditional public school in the prior year and are now enrolled in the charter school in the current year.

F. Equalization assistance for charter schools shall be provided as a single amount based on average daily membership without categorical distinctions between maintenance and operations or capital.

G. At the request of a charter school, the county school superintendent of the county where the charter school is located may provide the same educational services to the charter school as prescribed in section 15-308, subsection A. The county school superintendent may charge a fee to recover costs for providing educational services to charter schools.

H. If the sponsor of the charter school determines at a public meeting that the charter school is not in compliance with federal law, with the laws of this state or with its charter, the sponsor of a charter school may submit a request to the department of education to withhold up to ten percent of the monthly apportionment of state aid that would otherwise be due the charter school. The department of education shall adjust the charter school's apportionment accordingly. The sponsor shall provide written notice to the charter school at least seventy-two hours before the meeting and shall allow the charter school to respond to the allegations of noncompliance at the meeting before the sponsor makes a final determination to notify the department of education of noncompliance. The charter school shall submit a corrective action plan to the sponsor on a date specified by the sponsor at the meeting. The corrective action plan shall be designed to correct deficiencies at the charter school and to ensure that the charter school promptly returns to compliance. When the sponsor determines that the charter school is in compliance, the department of education shall restore the full amount of state aid payments to the charter school.

I. In addition to the withholding of state aid payments pursuant to subsection H of this section, the sponsor of a charter school may impose a civil penalty of one thousand dollars per occurrence if a charter school fails to comply with the fingerprinting requirements prescribed in section 15-183, subsection C or section 15-512. The sponsor of a charter school shall not impose a civil penalty if it is the first time that a charter school is out of compliance with the fingerprinting requirements and if the charter school provides proof within forty-eight hours of written notification that an application for the appropriate fingerprint check has been received by the department of public safety. The sponsor of the charter school shall obtain proof that the charter school has been notified, and the notification shall identify the date of the deadline and shall be signed by both parties. The sponsor of a charter school shall automatically impose a civil penalty of one thousand dollars per occurrence if the sponsor determines that the charter school subsequently violates the fingerprinting requirements. Civil penalties pursuant to this subsection shall be assessed by requesting the department of education to reduce the amount of state aid that the charter school would otherwise receive by an amount equal to the civil penalty. The amount of state aid withheld shall revert to the state general fund at the end of the fiscal year.

J. A charter school may receive and spend monies distributed by the department of education pursuant to section 42-5029, subsection E and section 37-521, subsection B.

K. If a school district transports or contracts to transport pupils to the Arizona state schools for the deaf and the blind during any fiscal year, the school district may transport or contract with a charter school to transport sensory impaired pupils during that same fiscal year to a charter school if requested by the parent of the pupil and if the distance from the pupil's place of actual residence within the school district to the charter school is less than the distance from the pupil's place of actual residence within the school district to the campus of the Arizona state schools for the deaf and the blind.

L. Notwithstanding any other law, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts shall not include any student in the student count of the university, community college district or group of community college districts for state funding purposes if that student is enrolled in and attending a charter school sponsored by the university, community college district or group of community college districts.

M. The governing body of a charter school shall transmit a copy of its proposed budget or the summary of the proposed budget and a notice of the public hearing to the department of education for posting on the department of education's website no later than ten days before the hearing and meeting. If the charter school maintains a website, the charter school governing body shall post on its website a copy of its proposed budget or the summary of the proposed budget and a notice of the public hearing.

N. The governing body of a charter school shall collaborate with the private organization that is approved by the state board of education pursuant to section 15-792.02 to provide approved board examination systems for the charter school.

O. If permitted by federal law, a charter school may opt out of federal grant opportunities if the charter holder or the appropriate governing body of the charter school determines that the federal requirements impose unduly burdensome reporting requirements.

P. For the purposes of this section, "monies intended for the basic maintenance and operations of the school" means monies intended to provide support for the educational program of the school, except that it does not include supplemental assistance for a specific purpose or title VIII of the elementary and secondary education act of 1965 monies. The auditor general shall determine which federal or state monies meet this definition.

15-2155. Arizona public school credit enhancement program; eligibility; approval of financing; participation fee

A. The Arizona public school credit enhancement program is established to assist achievement district schools in obtaining more favorable financing by guaranteeing the payment of principal and interest on guaranteed financings issued by or on behalf of achievement district schools.

B. To be considered for a guaranteed financing, an achievement district school shall submit an application to the board, on a form and in the manner prescribed by the board, that contains at least the following information:

1. Proof of approval of the school's application pursuant to article 10 of this chapter at the time of applying to the board. A school's failure to maintain ongoing achievement district school eligibility does not impair or affect the validity or enforceability of the program guarantee.

2. Exhibited sustainability in the financial operations of the school over at least two years based on financial metrics determined by the board, including days cash on hand, the ratio of operating revenues to debt service or the ratio of the financed property value to any debt being secured by the property.

3. For charter schools, demonstrated experience in operating and managing charter schools with high academic outcomes for at least two consecutive years.

4. Information regarding the proposed guaranteed financing by or on behalf of the school, including the planned timing of the financing, sources and uses of monies, the expected principal and interest payment dates and amounts by payment date, plans for funding reserves, expected ratings, if any, and any other information that would be useful to the board's deliberations.

5. For charter schools, an acknowledgement that the guaranteed financing will include a fully funded debt service reserve equal to at least the maximum amount permitted by federal law in connection with the issuance of tax exempt obligations.

6. The identification of any property being pledged as collateral to the guaranteed financing and the value of the property.

7. Any additional information that the board determines to be reasonable or necessary in order to fully evaluate the application.

C. The board shall meet regularly to evaluate applications and shall either approve or reject each application submitted. In considering the approval of any application, the board shall ensure, if the application is approved:

1. That the program leverage ratio will not exceed a ratio of three and one-half to one as a result of the approval of the guaranteed financing being considered.

2. That, after ten guaranteed financings have been approved by the board, not more than twenty-five percent of the aggregate principal amount of guaranteed financings will be rated less than "BB-" or a comparable rating by a nationally recognized bond rating agency.

D. The board shall report each decision on each application to the achievement district school within ten business days after the board's decision.

E. If approved by the board for guaranteed financing, each charter school shall pay an annual program participation fee in the amount of at least 0.25 percent of the outstanding principal amount of the guaranteed financing in any year as determined by the board for as long as the guaranteed financing is outstanding. Program participation fees for district public schools shall be as determined by the board. Program participation fees due in any year shall be paid in equal amounts on the date that interest is due and payable to investors under the guaranteed financing or at such other time as may be required by the board. Program participation fees shall be paid to the state treasurer on behalf of the program for deposit in the fund.

F. The terms and conditions of the board in approving a guaranteed financing may be set forth in a written agreement between the board and the achievement district school.

15-189. Charter schools; vacant buildings; list; used equipment

A. The school facilities board, in conjunction with the department of administration, shall annually publish a list of vacant and unused buildings and vacant and unused portions of buildings that are owned by this state or by school districts in this state and that may be suitable for the operation of a charter school. The school facilities board shall make the list available to applicants for charter schools and to existing charter schools. The list shall include the address of each building, a short description of the building, the name of the owner of the building and any other pertinent information related to the vacancy of the building. The school facilities board shall annually submit the list to the governor, the president of the senate and the speaker of the house of representatives and provide a copy of the list to the secretary of state. If a school district decides to sell or lease a vacant and unused building or a vacant and unused portion of a building, the school district may not prohibit a charter school from negotiating to buy or lease the property in the same manner as other potential buyers or lessees. A school district shall attempt to obtain the highest possible value under current market conditions for the sale or lease of the vacant and unused building or the vacant and unused portion of a building. Nothing in this section requires the owner of a building on the list to sell or lease the building or a portion of the building to a charter school or to any other school or to any other prospective buyer or tenant.

B. A school district may sell used equipment to a charter school before the school district attempts to sell or dispose of the equipment by other means.

15-901.06. Dropout recovery programs; written learning plan; requirements; definitions

A. Each school district and charter school that provides instruction to high school pupils may offer a dropout recovery program for eligible pupils.

B. The state board of education shall prescribe standards and achievement testing requirements for dropout recovery programs that attempt to ensure that the programs are compatible with public school education goals and requirements. The standards shall require dropout recovery programs to do all of the following:

1. Provide curricula aligned to the academic standards adopted by the state board of education. The curricula may be delivered online. A provider of Arizona online instruction pursuant to section 15-808 may not also operate a dropout recovery program pursuant to this section.
2. Provide standardized tests required by federal and state law.
3. Make available appropriate and sufficient supports for pupils, including tutoring, career counseling and college counseling.
4. Comply with federal and state laws governing pupils with disabilities.
5. Meet state requirements for high school graduation.

C. Each eligible pupil who is enrolled in a dropout recovery program shall have a written learning plan developed by the pupil's assigned mentor. The written learning plan shall include the following elements:

1. The start date and anticipated end date of the plan.
2. Courses to be completed by the pupil during the academic year.
3. Whether courses will be taken sequentially or concurrently.
4. State competency exams to be taken, as necessary.
5. Expectations for satisfactory monthly progress.
6. Expectations for contact with the pupil's assigned mentor.

D. The monthly participation in a dropout recovery program shall be recorded on or before the tenth school day of each month and shall be reported to the department of education at the same time as other data required pursuant to section 15-1042. Monthly participation calculations shall include:

1. Newly enrolled pupils who have a written learning plan on file on or before the first school day of the previous month.
2. Pupils who met the expectations for satisfactory monthly progress in the previous month.
3. Pupils who did not meet the expectations for satisfactory monthly progress in the previous month but did meet the expectations in the month before the previous month.

4. Pupils who met expectations for program reentry in the revised written learning plan in the previous month.

E. Because dropout recovery pupils are not expected to regularly attend classes at the district facilities, standard procedures for recording pupil attendance cannot be effectively applied to those students. For pupils participating in a dropout recovery program, an eligible pupil shall be counted as being in attendance in the school's average daily attendance calculations pursuant to subsection F of this section if the pupil meets one of the following conditions:

1. Is in the first month of enrollment in the program and completes the program orientation during that month.

2. Is enrolled in teacher-facilitated courses and meets the expectations for satisfactory monthly progress for the current or previous month. A pupil who does not meet expectations for monthly progress for two or more consecutive months shall not be reported as being in attendance until the pupil meets the expectations for program reentry.

3. Meets the expectations for program reentry in the revised written learning plan.

F. If a pupil is enrolled in a school district or charter school other than the school district or charter school that participates in the dropout recovery program and also participates in a dropout recovery program in the same fiscal year, the average daily membership as prescribed in section 15-901, subsection A, paragraph 1, subdivisions (a) and (b) for that pupil in the school district or charter school and in a dropout recovery program shall not exceed 1.0, except that if the pupil is enrolled in a dropout recovery program and a joint technical education district, the average daily membership provisions of section 15-393 apply. If the pupil is enrolled in both a school district or charter school and a dropout recovery program in the same fiscal year and the sum of the average daily membership and average daily attendance for that pupil is greater than 1.0 or the amount prescribed in section 15-393 if the pupil is enrolled in a joint technical education district, the sum shall be reduced to 1.0 or to the amount specified in section 15-393 if the pupil is enrolled in a joint technical education district and shall be apportioned between the school district or charter school and the joint technical education district, if applicable, and the dropout recovery program based on the proportionate shares of average daily membership in the school district or charter school and the average daily attendance in the dropout recovery program. The uniform system of financial records shall include guidelines for the apportionment of pupil enrollment and attendance as provided in this subsection. Pupils in a dropout recovery program do not incur absences for purposes of this subsection and may generate average daily attendance for attendance during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year. The average daily attendance of a pupil who participates in a dropout recovery program shall not exceed 1.0 or the amount prescribed in section 15-393 if the pupil is enrolled in a joint technical education district, and shall be calculated by fulfilling the requirements of subsection E of this section. Average daily membership shall not be calculated on the one hundredth day of instruction for the purposes of this section.

G. Notwithstanding section 15-901, subsection A, paragraph 1, the average daily membership for pupils enrolled in a dropout recovery program shall equal the average daily attendance of the pupils.

H. School districts and charter schools shall be responsible for tuition charges and fees related to pupil participation in a dropout recovery program, including course materials and access to technology for use with online courses.

I. School districts and charter schools may contract with an educational management organization to provide a dropout recovery program. If contracting with an educational management organization, the school district or charter school shall ensure that all of the following requirements are met:

1. The educational management organization is accredited by a regional accrediting body.
2. Teachers provided by the educational management organization hold a current teaching license from any state and a valid Arizona fingerprint clearance card pursuant to section 15-534, and teachers of core subjects are highly qualified in the subjects to which they are assigned.

J. Dropout recovery programs shall be classified as alternative schools and shall be subject to the accountability provisions of section 15-241.

K. Entities that are contracted to provide dropout recovery programs may conduct outreach to encourage pupils who are not currently enrolled in a school district or charter school in this state to return to school. Entities that are contracted to provide dropout recovery programs shall not conduct advertising or marketing campaigns directed at pupils who are currently enrolled in a school district or charter school, or undertake any other activity that encourages pupils who are currently enrolled in a school district or charter school to stop attending school in order to qualify for a dropout recovery program.

L. For the purposes of this section:

1. "Eligible pupil" means a pupil who, if enrolled, would be eligible for placement in an alternative school but who is not currently enrolled in a school district or charter school and who has been withdrawn from a school district or charter school for at least thirty days, unless the district determines that the student is unable to participate in other district programs.
2. "Satisfactory monthly progress" means an amount of progress that is measurable on a monthly basis and that, if continued for twelve months, would result in the same amount of academic credit being awarded to the pupil as would be awarded to a pupil in a traditional education program who completes a full school year. Satisfactory monthly progress may include a lesser required amount of progress for the first two months that a pupil participates in the program.

15-808. [Arizona online instruction; reports; definitions](#)

A. Arizona online instruction shall be instituted to meet the needs of pupils in the information age. The state board of education shall select district public schools and state-approved charter authorizers shall sponsor charter schools to be online course providers or online schools. The state board of education and state-approved charter authorizers shall develop standards for the approval of online course providers and online schools based on the following criteria:

1. The depth and breadth of curriculum choices.
2. The variety of educational methodologies employed by the school and the means of addressing the unique needs and learning styles of targeted pupil populations, including computer-assisted learning systems, virtual classrooms, virtual laboratories, electronic field trips, electronic mail, virtual tutoring, online help desk, group chat sessions and noncomputer-based activities performed under the direction of a certificated teacher.
3. The availability of an intranet or private network to safeguard pupils against predatory and pornographic elements of the internet.
4. The availability of filtered research access to the internet.
5. The availability of private individual electronic mail between pupils, teachers, administrators and parents in order to protect the confidentiality of pupil records and information.
6. The availability of faculty members who are experienced with computer networks, the internet and computer animation.
7. The extent to which the school intends to develop partnerships with universities, community colleges and private businesses.
8. The services offered to populations with developmental disabilities.
9. The grade levels that will be served.

B. Each new school that provides online instruction shall provide online instruction on a probationary status. After a new school that provides online instruction has clearly demonstrated the academic integrity of its instruction through the actual improvement of the academic performance of its students, the school may apply to be removed from probationary status. The state board of education or the state-approved charter authorizer that sponsored the charter school shall remove from Arizona online instruction any probationary school that fails to clearly demonstrate improvement in academic performance within three years measured against goals in the approved application and the state's accountability system. All pupils who participate in Arizona online instruction shall reside in this state. Pupils who participate in Arizona online instruction are subject to the testing requirements prescribed in chapter 7, article 3 of this title. On enrollment, the school shall notify the parents or guardians of the pupil of the state testing requirements. If a pupil fails to comply with the testing requirements and the school administers the tests pursuant to this subsection to less than ninety-five percent of the pupils in Arizona online instruction, the pupil shall not be allowed to participate in Arizona online instruction.

C. The state board of education and state-approved charter authorizers shall develop annual reporting mechanisms for schools that participate in Arizona online instruction.

D. The department of education shall compile the information submitted in the annual reports by schools participating in Arizona online instruction. The department of education shall submit the compiled report to the governor, the speaker of the house of representatives and the president of the senate by November 15 of each year.

E. Each school selected for Arizona online instruction shall ensure that a daily log is maintained for each pupil who participates in Arizona online instruction. The daily log shall describe the amount of time spent by each pupil participating in Arizona online instruction pursuant to this section on academic tasks. The daily log shall be used by the school district or charter school to qualify the pupils who participate in Arizona online instruction in the school's average daily attendance calculations pursuant to subsection F of this section.

F. If a pupil is enrolled in a school district or charter school and also participates in Arizona online instruction, the sum of the average daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 1, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 5, for that pupil in the school district or charter school and in Arizona online instruction shall not exceed 1.0. If the pupil is enrolled in a school district or a charter school and also participates in Arizona online instruction and the sum of the daily membership or daily attendance for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the school district, unless the school district is a joint technical education district subject to the apportionment requirements of section 15-393, or charter school and Arizona online instruction based on the percentage of total time that the pupil is enrolled or in attendance in the school district or charter school and Arizona online instruction. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this subsection. Pupils in Arizona online instruction do not incur absences for purposes of this subsection and may generate an average daily attendance of 1.0 for attendance hours during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year. For kindergarten programs and grades one through eight, average daily membership shall be calculated by dividing the instructional hours as reported in the daily log required in subsection E of this section by the applicable hourly requirements prescribed in section 15-901. For grades nine through twelve, average daily membership shall be calculated by dividing the instructional hours as reported in the daily log required in subsection E of this section by nine hundred. The average daily membership of a pupil who participates in online instruction shall not exceed 1.0. Average daily membership shall not be calculated on the one hundredth day of instruction for the purposes of this section. Funding shall be determined as follows:

1. A pupil who is enrolled full-time in Arizona online instruction shall be funded for online instruction at ninety-five percent of the base support level that would be calculated for that pupil if that pupil were enrolled as a full-time student in a school district or charter school that does not participate in Arizona online instruction. Charter additional assistance and district additional assistance shall be calculated in the same manner they would be calculated if the student were enrolled in a district or charter school that does not participate in Arizona online instruction.

2. A pupil who is enrolled part-time in Arizona online instruction shall be funded for online instruction at eighty-five percent of the base support level that would be calculated for that pupil if that pupil were enrolled as a part-time student in a school district or charter school that does not participate in Arizona online instruction. Charter additional assistance and district additional

assistance shall be calculated in the same manner they would be calculated if the student were enrolled in a district or charter school that does not participate in Arizona online instruction.

G. If the academic achievement of a pupil declines while the pupil is participating in Arizona online instruction, the pupil's parents, the pupil's teachers and the principal or head teacher of the school shall confer to evaluate whether the pupil should be allowed to continue to participate in Arizona online instruction.

H. To ensure the academic integrity of pupils who participate in online instruction, Arizona online instruction shall include multiple diverse assessment measures and the proctored administration of required state standardized tests.

I. A school district or charter school may not charge a fee to a pupil who takes an examination in a particular course to obtain academic credit, pursuant to section 15-701.01, subsection I, from the school district or charter school if the academic credit for a course was previously earned in an Arizona online instruction course or at any public school in this state. Any test administered pursuant to this subsection shall be an assessment that is aligned to the course relevant state academic standards.

J. For the purposes of this section:

1. "Full-time student" means:

(a) A student who is at least five years of age before September 1 of a school year and who is enrolled in a school kindergarten program that meets at least three hundred forty-six hours during the school year.

(b) A student who is at least six years of age before September 1 of a school year, who has not graduated from the highest grade taught in the school and who is regularly enrolled in a course of study required by the state board of education. For first, second and third grade students, the instructional program shall meet at least seven hundred twelve hours. For fourth, fifth and sixth grade students, the instructional program shall meet at least eight hundred ninety hours during the school year.

(c) Seventh and eighth grade students or ungraded students who are at least twelve, but under fourteen, years of age on or before September 1 and who are enrolled in an instructional program of courses that meets at least one thousand sixty-eight hours during the school year.

(d) For high schools, a student not graduated from the highest grade taught in the school district, or an ungraded student at least fourteen years of age on or before September 1, and who is enrolled in at least four courses throughout the year that meet at least nine hundred hours during the school year. A full-time student shall not be counted more than once for computation of average daily membership.

2. "Online course provider" means a school other than an online school that is selected by the state board of education or a state-approved charter authorizer to participate in Arizona online instruction pursuant to this section and that provides at least one online academic course that is approved by the state board of education.

3. "Online school" means a school that provides at least four online academic courses or one or more online courses for the equivalent of at least five hours each day for one hundred eighty school days

and that is a charter school that is sponsored by a state-approved charter authorizer or a district public school that is selected by the state board of education to participate in Arizona online instruction.

4. "Part-time student" means:

(a) Any student who is enrolled in a program that does not meet the definition in paragraph 1 of this subsection shall be funded at eighty-five percent of the base support level that would be calculated for that pupil if that pupil were enrolled as a part-time student in a school district or charter school that does not participate in Arizona online instruction.

(b) A part-time student of seventy-five percent average daily membership shall be enrolled in at least three subjects throughout the year that offer for first, second and third grade students at least five hundred thirty-four instructional hours in a school year and for fourth, fifth and sixth grade students at least six hundred sixty-eight instructional hours in a school year. A part-time student of fifty percent average daily membership shall be enrolled in at least two subjects throughout the year that offer for first, second and third grade students at least three hundred fifty-six instructional hours in a school year and for fourth, fifth and sixth grade students at least four hundred forty-five instructional hours in a school year. A part-time student of twenty-five percent average daily membership shall be enrolled in at least one subject throughout the year that offers for first, second and third grade students at least one hundred seventy-eight instructional hours in a school year and for fourth, fifth and sixth grade students at least two hundred twenty-three instructional hours in a school year.

(c) For seventh and eighth grade students, a part-time student of seventy-five percent average daily membership shall be enrolled in at least three subjects throughout the year that offer at least eight hundred one instructional hours in a school year. A part-time student of fifty percent average daily membership shall be enrolled in at least two subjects throughout the year that offer at least five hundred thirty-four instructional hours in a school year. A part-time student of twenty-five percent average daily membership shall be enrolled in at least one subject throughout the year that offers at least two hundred sixty-seven instructional hours in a school year.

(d) For high school students, a part-time student of seventy-five percent average daily membership shall be enrolled in at least three subjects throughout the year that offer at least six hundred seventy-five instructional hours in a school year. A part-time student of fifty percent average daily membership shall be enrolled in at least two subjects throughout the year that offer at least four hundred fifty instructional hours in a school year. A part-time student of twenty-five percent average daily membership shall be enrolled in at least one subject throughout the year that offers at least two hundred twenty-five instructional hours in a school year.

5. "State-approved charter authorizer" means any charter school sponsor authorized pursuant to section 15-183.



## **Replacement Check List**

For rules filed within the  
1st Quarter  
January – March 31, 2017

# THE ARIZONA ADMINISTRATIVE CODE

Within the stated calendar quarter, this Chapter contains all rules made, amended, repealed, renumbered, and recodified; or rules that have expired or were terminated due to an agency being eliminated under sunset law. These rules were either certified by the Governor's Regulatory Review Council or the Attorney General's Office; or exempt from the rulemaking process, and filed with the Office of the Secretary of State. Refer to the historical notes for more information. Please note that some rules you are about to remove may still be in effect after the publication date of this Supplement. Therefore, all superseded material should be retained in a separate binder and archived for future reference.

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## **Title 7. Education**

### **Chapter 5. State Board for Charter Schools**

#### **Supplement 17-1**

#### **Sections, Parts, Exhibits, Tables or Appendices modified**

R7-5-101, R7-5-201 through R7-5-208; R7-5-301 through R7-5-304; R7-5-401 through R7-5-404; R7-5-501 through R7-5-510; R7-5-601 through R7-5-607

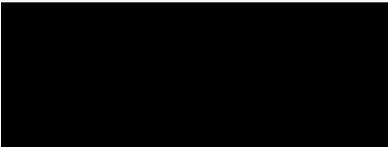
REMOVE Supp. 14-1  
Pages: 1 - 9

REPLACE with Supp. 17-1  
Pages: 1 - 17

*The agency's contact person who can answer questions about rules in Supp. 17-1:*

Agency: Arizona State Board for Charter Schools  
Name:  
Address:

Telephone:  
Fax:  
E-mail:  
Web site:



*Disclaimer: Please be advised the person listed is the contact of record as submitted in the rulemaking package for this supplement. The contact and other information may change and is provided as a public courtesy.*

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**PUBLISHER**  
**Arizona Department of State**  
**Office of the Secretary of State, Public Services Division**

## PREFACE

Under Arizona law, the Department of State, Office of the Secretary of State (Office), accepts state agency rule filings and is the publisher of Arizona rules. The Office of the Secretary of State does not interpret or enforce rules in the Administrative Code. Questions about rules should be directed to the state agency responsible for the promulgation of the rule.

Scott Cancelosi, Director  
PUBLIC SERVICES DIVISION  
March 31, 2017

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### **RULES**

A.R.S. § 41-1001(17) states: “‘Rule’ means an agency statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedures or practice requirements of an agency.”

### **THE ADMINISTRATIVE CODE**

The Arizona Administrative Code is where the official rules of the state of Arizona are published. The Code is the official codification of rules that govern state agencies, boards, and commissions. Virtually everything in your life is affected in some way by rules published in the Arizona Administrative Code, from the quality of air you breathe to the licensing of your dentist. This chapter is one of more than 230 in the Code compiled in 21 Titles.

### **ADMINISTRATIVE CODE SUPPLEMENTS**

Rules filed by an agency to be published in the Administrative Code are updated quarterly. Supplement release dates are printed on the footers of each chapter:

First Quarter: January 1 - March 31  
Second Quarter: April 1 - June 30  
Third Quarter: July 1 - September 30  
Fourth Quarter: October 1 - December 31

For example, the first supplement for the first quarter of 2017 is cited as Supp. 17-1.

### **HOW TO USE THE CODE**

Rules may be in effect before a supplement is released by the Office. Therefore, the user should refer to issues of the Arizona Administrative Register for recent updates to rule Sections.

### **ARTICLES AND SECTIONS**

Rules in chapters are divided into Articles, then Sections. The “R” stands for “rule” with a sequential numbering and lettering system separated into subsections.

### **HISTORICAL NOTES AND EFFECTIVE DATES**

Historical notes inform the user when the last time a Section was updated in the Administrative Code. Be aware, since the Office publishes each quarter by entire chapters, not all Sections are updated by an agency in a supplement release. Many times just one Section or a few Sections may be updated in the entire chapter.

### **ARIZONA REVISED STATUTE REFERENCES**

The Arizona Revised Statutes (A.R.S.) are available online at the Legislature’s website, [www.azleg.gov](http://www.azleg.gov). An agency’s authority note to make rules is often included at the beginning of a chapter. Other Arizona statutes may be referenced in rule under the A.R.S. acronym.

### **SESSION LAW REFERENCES**

Arizona Session Law references in the introduction of a chapter can be found at the Secretary of State’s website, [www.azsos.gov/services/legislative-filings](http://www.azsos.gov/services/legislative-filings).

### **EXEMPTIONS FROM THE APA**

It is not uncommon for an agency to be exempt from the steps outlined in the rulemaking process as specified in the Arizona Administrative Procedures Act, also known as the APA (Arizona Revised Statutes, Title 41, Chapter 6, Articles 1 through 10). Other agencies may be given an exemption to certain provisions of the Act.

An agency’s exemption is written in law by the Arizona State Legislature or under a referendum or initiative passed into law by Arizona voters.

When an agency files an exempt rulemaking package with our Office it specifies the law exemption in what is called the preamble of rulemaking. The preamble is published in the Arizona Administrative Register online at [www.azsos.gov/rules](http://www.azsos.gov/rules), click on the Administrative Register link.

In the Administrative Code the Office includes editor’s notes at the beginning of a chapter indicating that certain rulemaking Sections were made by exempt rulemaking. Exempt rulemaking notes are also included in the historical note at the end of a rulemaking Section.

The Office makes a distinction to certain exemptions because some rules are made without receiving input from stakeholders or the public. Other exemptions may require an agency to propose exempt rules at a public hearing.

### **EXEMPTIONS AND PAPER COLOR**

If you are researching rules and come across rescinded chapters on a different paper color, this is because the agency filed a Notice of Exempt Rulemaking. At one time the office published exempt rules on either blue or green paper. Blue meant the authority of the exemption was given by the Legislature; green meant the authority was determined by a court order. In 2001 the Office discontinued publishing rules using these paper colors.

### **PERSONAL USE/COMMERCIAL USE**

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*Public Services managing rules editor, Rhonda Paschal, assisted with the editing of this chapter.*

TITLE 7. EDUCATION

CHAPTER 5. STATE BOARD FOR CHARTER SCHOOLS

Authority: A.R.S. § 15-182

Editor's Note: 7 A.A.C. 5 made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1).

ARTICLE 1. GENERAL PROVISIONS

10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1).

Article 1, consisting of R7-5-101, made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1).

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**ARTICLE 1. GENERAL PROVISIONS**

*Article 1, consisting of R7-5-101, made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1).*

**R7-5-101. Definitions**

In this Chapter, the following definitions apply:

“Academic performance dashboard” means color-coded graphics that represent a charter school’s academic performance by measure for the three most recent fiscal years and identifies whether the schools operated by the charter holder meet the minimum academic performance expectations.

“Academic Performance Framework” means a document publicly available and posted on the Board’s web site that sets forth the minimum academic performance expectations for charter schools, measures of progress towards meeting the expectations, and consequences of failing to meet the expectations.

“Accounting industry regulatory body” means any state or federal regulatory body that has authority to discipline a certified public accountant or audit firm.

“Administrative completeness review time frame” means the number of days from the Board’s receipt of a submission for Board consideration until the Board staff determines whether the submission contains all components and is formatted as required by statute and rule.

“Annual application cycle” means the process the Board conducts each year to receive and review new charter application packages and grant or deny a charter.

“Applicant” means a person that applies to the Board for a new charter.

“Application” means the Board-approved forms and instructions used by an applicant or charter holder to apply for a new charter, transfer a charter as provided under R7-5-302(A)(1), transfer a charter school as provided under R7-5-302(A)(2), or renew or replicate a charter sponsored by the Board.

“Application package” means an application form, narratives, and documents, including exhibits and attachments, submitted by an applicant or charter holder.

“ASBCS Online” means the Board’s web-based interface, which is accessible through the web site of the Arizona State Board for Charter Schools.

“Audit” means a charter holder’s annual audit required under A.R.S. § 15-914.

“Audit contract” means an engagement letter provided by an audit firm that describes the terms of a contract between a charter holder and the audit firm.

“Authorized representative” means an individual with the power to bind an applicant contractually according to the applicant’s Articles of Incorporation, operating agreement, or by-laws.

“Board” means the Arizona State Board for Charter Schools.

“CAP” means corrective action plan.

“Charter” means a contract between a person and the Board to operate a charter school under A.R.S. § 15-181 et seq.

“Charter holder” means a person that enters into a charter with the Board.

“Charter representative” means an individual with the power to bind a charter holder contractually according to the charter holder’s Articles of Incorporation, operating agreement, or by-laws and is the point of contact with the Board for the purposes of communication and accountability to charter terms and conditions.

“Charter school” has the meaning specified at A.R.S. § 15-101.

“Date of notice” means the date on which an electronic notification is sent by the Board to an applicant or charter holder through the authorized representative or charter representative.

“Day” means a business day.

“Demonstration of sufficient progress” means the process for a charter holder to show the charter holder is making progress towards achieving the minimum academic performance expectations specified in the Academic Performance Framework.

“Department” means the Arizona Department of Education.

“Education Service Provider” means an organization that contracts with or has a governance relationship with an applicant or charter holder to provide comprehensive services.

“Financial performance dashboard” means a color-coded graphic that represents a charter holder’s financial performance by measure for the two most recent audited fiscal years and identifies whether the charter holder’s financial performance meets the minimum financial performance expectations.

“Financial Performance Framework” means a document publicly available and posted on the Board’s web site that sets forth the minimum financial performance expectations for charter holders, measures of performance, and consequences of failing to meet the expectations.

“Fiscal year” means the 12-month period beginning July 1 and ending June 30.

“Operational performance dashboard” means a color-coded graphic that represents a charter holder’s operational performance by measure for up to the five most recent fiscal years and identifies whether the charter holder’s operational performance meets the minimum operational performance expectations.

“Operational Performance Framework” means a document publicly available and posted on the Board’s web site that sets forth the minimum operational performance expectations for charter holders, measures of performance, and consequences of failing to meet the expectations.

“Overall time frame” means the number of days after receipt of a submission for Board consideration until the Board decides whether to grant or deny the request contained in the submission. The overall time frame consists of both the administrative completeness review time frame and the substantive review time frame.

“Peer review” means an external quality review required by generally accepted governance standards.

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dards, which determines whether an audit firm's internal quality-control system exists, is operating effectively, and provides assurance that established policies and procedures and applicable auditing standards are being followed.

"Performance expectations" means the minimum academic, financial, and operational performance expectations established by the Board.

"Person" means an individual, partnership, corporation, association, or public or private organization of any kind.

"Principals" means the officers, directors, members, partners, or board of an applicant or charter holder.

"Serious impact finding" means an issue identified by the Board that the Board believes has or potentially has a detrimental impact on the operation of the charter school or students, such as threat to the health and safety of children, failure to meet the academic needs of children, gross violation of generally accepted accounting principles that increases the opportunity for fraud or theft, or repeated issues of noncompliance.

"Substantive review time frame" means the number of days after a submission for Board consideration is determined to be administratively complete until the Board decides whether to grant or deny the request contained in the submission.

"Sufficiently qualified" means the Board's determination that an applicant's knowledge, experience, qualifications, current and prior charter compliance, capacity, personal and professional background, and creditworthiness indicate an ability to implement a charter or operate a charter school in accordance with federal and state law and the performance expectations established by the Board.

"Supervising certified public accountant" means the certified public accountant responsible for leading the audit of a charter school or signing the final audit report.

"Technical Review Panel" means individuals approved by the Executive Director of the Board who use their expertise in charter school development, curriculum, and finance to assist the Executive Director by conducting a preliminary evaluation of an application package.

#### Historical Note

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Amended by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

### ARTICLE 2. APPLICATION FOR A NEW CHARTER; APPLICATION FOR CHARTER REPLICATION

#### R7-5-201. Application for a New Charter

- A. By March 31 of each year, the Board shall approve and make available on ASBCS Online an application for a new charter for a specified annual application cycle.
- B. A person that wants to establish a charter school shall submit a complete application package by the submission deadline identified in the application.
- C. A person may submit a complete application package by using:
  1. The web-based application wizard on ASBCS Online; or

2. An alternative submission process. Before using an alternative submission process, the person shall hand deliver or mail a signed, notarized waiver request to the Board, in the form and by the waiver deadline identified in the application, and shall waive the right to have the Board consider an application package submitted through ASBCS Online during the same annual application cycle. The Board shall not accept an application package through the alternative submission process unless a waiver request has been submitted by the waiver deadline and acknowledged as timely by the Board.
- D. An applicant for a new charter shall ensure the submitted application package contains all the information, materials, documents, and attachments identified in the application and A.R.S. § 15-183(A), including the new charter application processing fee specified under R7-5-202, and is in the format specified in the application.

#### Historical Note

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

#### R7-5-202. New Charter Application Processing Fee

As specifically authorized under A.R.S. § 15-183(CC), the Board establishes and shall collect a new charter application processing fee of \$6,500 for each application package submitted to the Board.

1. An applicant shall pay the new charter application processing fee in the form of a single personal or cashier's check that:
  - a. Is made payable to Arizona State Board for Charter Schools,
  - b. Has the applicant's name imprinted on the front of the check, and
  - c. Is delivered by mail or hand to the Board office during regular business hours by the submission deadline.
2. Board staff shall deem an application package administratively incomplete under R7-5-203(B) if the new charter application processing fee is not received by the submission deadline.
3. Board staff shall deposit all checks within five days of submission. If an applicant's check is dishonored for any reason, Board staff shall:
  - a. Deem the application package administratively incomplete under R7-5-203(B), and
  - b. Require the applicant to pay any future fees to the Board by cashier's check.
4. If an application package is found to be administratively incomplete under R7-5-203(B) and the applicant paid the new charter application processing fee, the Board shall refund the fee to the applicant by mailing a refund check to the authorized representative at the address provided in the application package.
5. If an application package is found to be administratively complete under R7-5-203(B), the new charter application processing fee becomes non-refundable except as required under A.R.S. § 41-1077(A).

#### Historical Note

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Section R7-5-202 renumbered to Section R7-5-203; new Section R7-5-202 made by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

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(Supp. 17-1).

**R7-5-203. Time Frames for Granting or Denying a New Charter**

- A.** For granting or denying a new charter, the time frames are:
1. Administrative completeness review time frame: 25 days;
  2. Substantive review time frame: 175 days; and
  3. Overall time frame: 200 days.
- B.** An applicant for a new charter shall submit to the Board an administratively complete application package by the submission deadline. An application package is complete if:
1. The application package is from the current application cycle;
  2. The application package contains all the information, materials, documents, attachments, signatures, and notarizations identified in the application;
  3. All the application package's components are formatted as required;
  4. All curriculum samples address the required standard;
  5. All templates are unmodified and completed; and
  6. The application processing fee required under R7-5-202 is paid.
- C.** The administrative completeness review time frame listed in subsection (A)(1) begins the day after the Board receives an application package.
- D.** If an application package is administratively complete, Board staff shall send the applicant a written notice of administrative completeness.
- E.** If an application package is administratively incomplete, Board staff shall:
1. Send the applicant a written notice of deficiency that states the reasons the application package is administratively incomplete;
  2. Administratively close the applicant's file; and
  3. Refund the new charter application processing fee paid under R7-5-202.
- F.** If an applicant receives a written notice of deficiency under subsection (E) and if the submission deadline has not yet passed, the applicant may correct the deficiencies in the administratively incomplete application package and submit a new application package in the same annual application cycle by complying with R7-5-201.
- G.** If an applicant receives a written notice of deficiency under subsection (E) and believes the application package was erroneously designated as administratively incomplete, the applicant may submit a written request for reconsideration to the Board within 10 days after the date of the notice of deficiency.
- H.** An applicant that submits a written request for reconsideration under subsection (G) shall ensure the request:
1. Contains a clear statement indicating how the previously submitted application package fulfilled each of the requirements identified as deficient; and
  2. Has no new or additional information, documents, or materials included or attached.
- I.** Within 10 days after receiving a request for reconsideration, Board staff shall review the request and:
1. Determine whether the request complies with the requirements in subsection (H) and if not, send the applicant written notice the request was not submitted properly and the applicant's file remains closed;
  2. If Board staff determines the application package was erroneously designated as administratively incomplete, reopen the applicant's file and send the applicant a written notice of administrative completeness; or
  3. If Board staff determines the application package was correctly designated as administratively incomplete, send

the applicant written notice the applicant's file remains closed.

- J.** If Board staff does not provide a notice of deficiency or administrative completeness to the applicant within the administrative completeness review time frame, the application package is deemed administratively complete.
- K.** The substantive review time frame listed in subsection (A)(2) begins when an application package is determined to be administratively complete. Board staff shall ensure the substantive review is conducted according to R7-5-204.
- L.** Within the time provided in subsection (A)(3), Board staff shall provide the applicant with written notice of the Board's decision to grant or deny a charter.
1. The Board shall deny a charter if the Board determines the application package does not meet the requirements of statute or rule or the applicant is not sufficiently qualified to operate a charter school. Board staff shall include in the written notice the basis for the denial and other information required under A.R.S. § 41-1092.03. An applicant that receives a notice of denial may:
    - a. Submit a new application package under R7-5-201 in a later annual application cycle; or
    - b. Appeal the Board's decision under A.R.S. Title 41, Chapter 6, Article 10.
  2. The Board shall grant a charter if it determines that the application package meets the requirements of statute and rule and the applicant is sufficiently qualified to operate a charter school.

**Historical Note**

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Section R7-5-203 renumbered to Section R7-5-204; new Section R7-5-203 renumbered from R7-5-202 and amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-204. Review of Administratively Complete Application Package for a New Charter, Technical Assistance, and In-person Interview**

- A.** The Board shall ensure an administratively complete application package for a new charter is reviewed as follows:
1. The Technical Review Panel shall score an application package using the evaluation criteria identified in the application to determine whether the application package meets the Board's requirements.
  2. The Technical Review Panel shall assign an application package a score of "Meets the Criteria," "Approaches the Criteria," or "Falls below the Criteria" for each evaluation criterion.
    - a. The Technical Review Panel shall score an evaluation criterion "Meets the Criteria" when the application section within which that evaluation criterion is identified:
      - i. Addresses the evaluation criterion fully with specific and accurate information;
      - ii. Reflects a thorough understanding of the evaluation criterion; and
      - iii. Is clear and coherent.
    - b. The Technical Review Panel shall score an evaluation criterion "Approaches the Criteria" when the application section within which that evaluation criterion is identified:
      - i. Addresses the evaluation criterion but lacks specific and accurate information on some aspect of the evaluation c

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- ii. Presents a partial understanding of the evaluation criterion; or
      - iii. Is not clear and coherent.
    - c. The Technical Review Panel shall score an evaluation criterion "Falls below the Criteria" when the application section within which that evaluation criterion is identified fails to address the evaluation criterion.
  - 3. An application package meets the Board's requirements if:
    - a. No evaluation criterion is scored "Falls below the Criteria;"
    - b. No more than one evaluation criterion in each application section is scored "Approaches the Criteria;" and
    - c. At least 95 percent of the evaluation criteria in the educational plan, operational plan, and business plan is scored "Meets the Criteria."
- B. Board staff shall conduct a background and credit check of each principal and authorized representative of the applicant and determine whether each principal and authorized representative possesses a valid fingerprint clearance card issued by the State of Arizona. If an issue arises during the background and credit check of any principal or authorized representative, Board staff shall provide the principal or authorized representative written notice of the issue and an opportunity to provide a written response addressing the issue. The Board shall consider information obtained from the background and credit check when making the decision to grant or deny a new charter.
- C. If an application package fails to meet the Board's requirements specified under subsection (A)(3), Board staff shall provide written notice to the applicant. Board staff shall include in the notice:
  - 1. The reasons the application package failed to meet the Board's requirements;
  - 2. Comments of the Technical Review Panel, which will serve as technical assistance and suggestions for improving the application package; and
  - 3. The options specified under subsection (D).
- D. If an applicant receives notice under subsection (C), the applicant may, within 20 days of the date of notice, submit to the Board:
  - 1. A revised application package, or
  - 2. A written request that the previously submitted and scored application package be forwarded to the Board.
- E. If an applicant that receives notice under subsection (C) fails to act under subsection (D), Board staff shall close the applicant's file. An applicant whose file is closed and wants to obtain a new charter shall apply again under R7-5-201 in a later annual application cycle.
- F. If an applicant submits a revised application package under subsection (D), the Technical Review Panel shall score the revised application package as specified under subsection (A). If the revised application package fails to meet the Board's requirements as specified under subsection (A)(3), Board staff shall provide written notice to the applicant of the intent to close the file. Board staff shall include with the notice the comments of the Technical Review Panel.
- G. An applicant that receives notice under subsection (F) may, within 20 days after the date of notice, submit a written request that the revised application package be forwarded to the Board. If a written request is not submitted, Board staff shall close the applicant's file. An applicant whose file is closed and wants to obtain a new charter shall apply again under R7-5-201 in a later annual application cycle.
- H. At least 30 days before the last Board meeting before the substantive review time frame expires, and within 90 days after determining an application package meets the Board's requirements under subsection (A)(3) or receiving an applicant's request under subsection (D)(2) or (G), the principals and authorized representative of the applicant shall make themselves available for an in-person interview with two or more members of the Technical Review Panel. In the interview, the members of the Technical Review Panel shall assess:
  - 1. The applicant's understanding of the components presented in the application package;
  - 2. The applicant's capacity to implement a plan to operate a charter school in accordance with the performance expectations established by the Board;
  - 3. The applicant's clarification of any issue revealed in the course of the due diligence process for the applicant any principal, authorized representative, or Education Service Provider; and
  - 4. Any other factor relevant to determining whether the applicant is sufficiently qualified to operate a charter school.
- I. Board staff shall provide an applicant with at least seven days written notice of the date, time, and place of the meeting at which the Board will consider the applicant's application package and determine whether to grant or deny a new charter to the applicant. The Board shall use the following information to determine whether the applicant is sufficiently qualified to operate a charter school:
  - 1. The application package;
  - 2. The scoring rubric completed by the Technical Review Panel;
  - 3. The results of the in-person interview of the applicant's principals and authorized representative;
  - 4. Information obtained through investigation and verification of the employment, experience, and education backgrounds, fingerprint clearance card, and creditworthiness of each principal and authorized representative of the applicant;
  - 5. Information concerning any current or former charter operations for any principal, authorized representative, or Education Service Provider of the applicant;
  - 6. Board staff report; and
  - 7. Testimony presented at the Board meeting.
- J. After the Board meeting held under subsection (I), Board staff shall provide written notice to the applicant regarding the Board's decision to grant or deny a new charter to the applicant. If the Board denies a new charter to the applicant, the Board shall include the information required under A.R.S. § 41-1092.03 in the written notice.

**Historical Note**

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Amended by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-204 renumbered to Section R7-5-205; new Section R7-5-204 renumbered from R7-5-203 and amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-205. Execution of a New Charter**

- A. After the Board decides to grant a new charter but before the charter is signed, the applicant shall submit to the Board the following:
  - 1. A completed I.R.S. Form W-9, Request for Identification Number and Certification, ob

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- the Department or online at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;
2. The following information for each charter school approved for educational use:
    - a. Certificate of occupancy; and
    - b. Fire marshal report; or
    - c. If either the certificate of occupancy or fire marshal report is not available, a completed Occupancy Compliance Assurance and Understanding form obtained from the Board;
  3. A completed General Statement of Assurances form obtained from the Department;
  4. A statement indicating where all public notices of meetings will be posted as required under A.R.S. § 38-431.02; and
  5. A copy of the lease agreement or other documentation of a secured charter school facility for each charter school.
- B.** The Board President or designee and authorized representative of the applicant shall sign the charter within 12 months after the Board's decision to grant the charter.
1. If the charter is not timely signed, the Board's decision to grant the new charter expires unless the applicant applies for and is granted a good-cause extension to execute the charter under R7-5-206.
  2. If an applicant that is granted a new charter but does not timely sign the charter and does not obtain a good-cause extension wants to obtain a new charter, the applicant shall apply again under R7-5-201 in a later annual application cycle.
- C.** A charter holder shall begin providing educational instruction no later than the second fiscal year after the Board's decision to grant the charter unless the charter holder is granted a good-cause extension to execute a charter under R7-5-206 or good-cause suspension of a charter under R7-5-207.
1. A charter holder that is granted a good-cause extension to execute a charter under R7-5-206 or good-cause suspension of a charter under R7-5-207 shall begin providing educational instruction no later than the third fiscal year after the Board's decision to grant the charter.
  2. If a charter holder does not begin providing educational instruction as required under subsection (C) or (C)(1), the Board shall issue the charter holder a notice of intent to revoke the charter in accordance with A.R.S. § 15-183(I).
- D.** At least 10 days before beginning to provide educational instruction, a charter holder shall submit to the Board the following written proof that the charter school is in compliance with federal, state, and local laws relating to health, safety, civil rights, and insurance:
1. Charter school contact information;
  2. Insurance policy binder issued by an insurance company licensed to do business in Arizona;
  3. County health certificate for each charter school at which students will be taught;
  4. Evidence of a public meeting, required by A.R.S. § 15-183(C)(7), at least 30 days before the charter holder opens a charter school;
  5. Certificate of attendance of the charter representative or principal at the special education training for new charters offered by the Department; and
  6. Any other documents required to demonstrate compliance with federal, state, and local laws relating to health, safety, civil rights, and insurance.
- E.** If a charter holder submitted an Occupancy Compliance Assurance and Understanding form under subsection (A)(2), the Board shall not advise the Department to initiate state aid funding until Board staff determines the required certificate of occupancy and fire marshal report submissions are complete and sufficient.
- F.** A new charter is effective upon signing by both parties for 15 years beginning on the date stated in the charter, unless revoked under A.R.S. § 15-183(I).

**Historical Note**

New Section R7-5-205 renumbered from R7-5-204 and amended by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-206. Good-cause Extension to Execute a New Charter**

- A.** Before the Board's decision to grant a new charter expires under R7-5-205(B), an applicant that has not yet executed the charter may submit to the Board a written request for a good-cause extension to execute a charter. The applicant shall ensure the written request for a good-cause extension to execute a charter:
1. Explains and provides evidence of why the applicant is unable to implement the plans contained in the application package and execute the charter within the allotted 12 months;
  2. Explains the applicant's new timeline for implementing the plans contained in the application package and why the new timeline is viable and adequate to enable the applicant to execute the charter by the new timeline; and
  3. Provides clear and specific action steps with target completion dates that will enable the applicant to implement the plans contained in the application package in accordance with the new timeline and the requirements of R7-5-205(C)(1).
- B.** The Board shall grant a good-cause extension to execute a charter if an applicant demonstrates good cause. When deciding whether the applicant demonstrates good cause, the Board shall consider:
1. The timeliness of the request for a good-cause extension and the proposed extension date;
  2. The viability of the applicant's new timeline for implementing the plans contained in the application package;
  3. Whether the new timeline is adequate to begin providing educational instruction as required under R7-5-205(C)(1) and complies with the plans contained in the application package;
  4. The circumstances the applicant indicates affected the applicant's ability to execute the charter within the allotted 12 months;
  5. Whether there have been changes in the principals of the applicant; and
  6. The extent to which the applicant is in compliance with all applicable federal, state, and local laws.
- C.** The Board shall not grant more than one good-cause extension to execute a particular charter.
- D.** If the Board grants a good-cause extension to execute a charter, the Board shall specify the date by which the applicant shall execute the charter and begin providing educational instruction based on the timeline provided by the applicant and the requirements of R7-5-205(C)(1). If the applicant does not execute the charter by the specified date, the Board's decision to grant the charter expires.

**Historical Note**

Section R7-5-206 made by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-207. Good-cause Suspension of a New**

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- A. Before the first day of the fiscal year in which a charter holder must begin providing educational instruction, the charter holder, if eligible under subsection (B), may submit to the Board a written request for a good-cause suspension of the charter.
- B. A charter holder is eligible to apply for a good-cause suspension of the charter if:
  1. The charter holder has not been granted a good-cause extension to execute the charter,
  2. The charter holder has not begun providing educational instruction under the charter, and
  3. The charter holder has not received or has returned state equalization or other state or federal funding for which provision of instruction is a requirement of receipt.
- C. The charter holder shall ensure the written request for a good-cause suspension of a charter:
  1. Explains and provides evidence for why the charter holder is unable to implement the plans contained in the application package and begin providing educational instruction as required under R7-5-205(C);
  2. Explains the charter holder's new timeline for implementing the plans contained in the application package and why the new timeline is viable and adequate to enable the charter holder to operate a charter school in accordance with the charter and performance expectations established by the Board; and
  3. Provides clear and specific action steps with target completion dates that will enable the charter holder to implement the plans contained in the application package in accordance with the new timeline and the requirements of R7-5-205(C)(1).
- D. The Board shall grant a good-cause suspension of a charter if the charter holder demonstrates good cause. When deciding whether the charter holder demonstrates good cause, the Board shall consider:
  1. Whether the charter holder is eligible under subsection (B) for a good-cause suspension of a charter;
  2. The timeliness of the request for a good-cause suspension of a charter and the proposed extension date;
  3. The viability of the charter holder's new timeline for implementing the plans contained in the application package;
  4. Whether the new timeline is adequate to begin providing educational instruction as required under R7-5-205(C)(1) and complies with the plans contained in the application package;
  5. The circumstances the charter holder indicates affected the charter holder's ability to begin providing educational instruction as required under R7-5-205(C);
  6. Whether there have been changes in the principals of the charter holder; and
  7. The extent to which the charter holder is in compliance with all applicable federal, state, and local laws and terms of the charter.
- E. The Board shall not grant more than one good-cause suspension of a particular charter to any charter holder.
- F. A charter holder granted a good-cause suspension of the charter shall not apply to receive any state equalization or other state or federal funding for which provision of instruction is a requirement of receipt until the fiscal year in which the charter holder plans to begin providing educational instruction. The holder of a suspended charter shall promptly return any funding it receives before the fiscal year in which it begins providing educational instruction.
- G. A charter holder granted a good-cause suspension of a charter shall begin providing educational instruction as required by

R7-5-205(C). If a charter holder does not begin providing educational instruction as required, the Board shall issue the charter holder a notice of intent to revoke the charter in accordance with A.R.S. § 15-183(I).

**Historical Note**

Section R7-5-207 made by final rulemaking at 20 A.A.R. 437, effective April 5, 2014 (Supp. 14-1). Amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-208. Application for Replication Charter**

- A. The charter holder of an existing high quality charter school may be eligible to apply for a replication charter rather than a new charter. A replication charter allows the charter holder to implement the existing educational program, corporate and governance structure, and financial and operational processes at a new charter school.
- B. A charter holder that wishes to apply for a replication charter shall submit to the Board a Replication Eligibility form. Board staff shall review the form and determine whether the charter holder is eligible to apply for a replication charter. A charter holder is eligible to apply for a replication charter if the charter holder is in compliance with provisions of its charter, contractual agreements with the Board, federal and state law and this Chapter, and meets the academic eligibility requirements specified in the replication application instructions, which are publicly available and posted on the Board's web site.
- C. Within 15 days after receiving a Replication Eligibility form, Board staff shall provide written notice to the charter holder of whether the charter holder may apply for a replication charter and, if eligible, shall make the replication application available to the charter holder.
- D. If a charter holder submits an application package for a replication charter by the last business day of September, Board staff shall process the application package in an expedited manner and ensure the application package is considered at the Board's meeting in November.
- E. As required under A.R.S. § 41-1073, the Board establishes the following time frames for approving or disapproving a replication charter:
  1. Administrative review time frame: 15 days;
  2. Substantive review time frame: 50 days; and
  3. Overall time frame: 65 days.
- F. The provisions at R7-5-205(A), regarding execution of a new charter, apply to a replication charter.
- G. R7-5-206, regarding a good-cause extension to execute a new charter, and R7-5-207, regarding good-cause suspension of a new charter, do not apply to a replication charter.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**ARTICLE 3. POST-CHARTER ACTIONS****R7-5-301. Application for Charter Renewal; Early Renewal of Charter**

- A. The Board shall make available on its web site instructions regarding eligibility and submission requirements for renewal and early renewal of a charter.
- B. A charter holder shall submit to the Board electronically through ASBCS Online the renewal application package identified in subsection (E) or the early renewal application package identified in subsection (L). The Board shall not accept a paper submission.
- C. The Board shall provide the charter holder at least 72-hours' written notice of the date, time, and location of the Board meeting at which the Board will consider the charter holder's

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renewal or early renewal application package. The charter holder shall attend the Board meeting.

- D. At least 18 months before a charter is scheduled to expire, the Board shall provide the charter holder with a renewal application that is customized based on the charter holder's performance history. The Board shall require a charter holder that does not meet the performance expectations specified in Article 4 to submit more information than a charter holder that does meet the performance expectations.
- E. As required under A.R.S. § 15-183(I), a charter holder that intends to seek renewal of the charter shall submit to the Board a renewal application package at least 15 months before the charter is scheduled to expire.
- F. The Board shall not consider a renewal application package that is not submitted by the date specified in subsection (E).
- G. As part of the charter renewal process, Board staff shall conduct an academic-systems-review site visit, as described in R7-5-506, of the charter holder.
- H. The Board shall notify a charter holder of the Board's decision to renew or deny renewal of the charter at least 12 months before the charter is scheduled to expire.
- I. As specified under A.R.S. § 15-183(I), the Board may deny renewal of a charter if the Board determines the charter holder failed to meet or make sufficient progress toward the academic performance expectations or failed to meet the operational performance expectations specified in Article 4, complete the obligations of the charter, or comply with federal or state law or this Chapter. If the Board denies renewal of a charter, Board staff shall provide written notice to the charter holder that includes the information required under A.R.S. § 41-1092.03(A).
- J. A charter holder is eligible to apply for early renewal of the charter if the charter holder:
  1. Submits to the Board a letter of intent to apply for early renewal at least 24 months before the charter is scheduled to expire;
  2. Has operated a school under the charter for at least five years;
  3. Meets the performance expectations specified in Article 4; and
  4. Had no compliance matters within the last three years that required action by the Board or other governmental entity.
- K. Within 15 days after receiving a letter of intent to apply for early renewal under subsection (J)(1), Board staff shall provide written notice to the charter holder of whether the charter holder is eligible to apply for early renewal and, if eligible, shall provide the charter holder with the renewal application referenced in subsection (D).
- L. A charter holder that receives notification under subsection (K) of eligibility to apply for early renewal shall submit to the Board the early renewal application package no later than one month after the charter holder receives notification under subsection (K).
- M. A charter holder applying for early renewal shall continue to meet the eligibility requirements specified in subsection (J) until the Board considers the early renewal application package at the Board meeting referenced under subsection (C). The Board shall not consider an early renewal application package submitted by a charter holder that has a change in eligibility status.
- N. Within three months after a charter holder timely submits an early renewal application package, Board staff shall conduct an academic-systems-review site visit, as described in R7-5-506, of the charter holder and shall place the charter holder's

early renewal application package on an agenda for Board consideration.

- O. As specified under A.R.S. § 15-183(I)(2), the Board may deny early renewal of a charter if the Board determines the charter holder failed to meet or make sufficient progress toward the academic performance expectations or failed to meet the operational performance expectations specified in Article 4, complete the obligations of the charter, or comply with federal or state law or this Chapter. If the Board denies early renewal of a charter, Board staff shall provide written notice to the charter holder that includes the information required under A.R.S. § 41-1092.03(A).

**Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-301 renumbered to R7-5-501; new Section R7-5-301 made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-302. Charter Transfer Application**

- A. A charter transfer application may be used to do either of the following:
  1. Transfer a charter to the Board; or
  2. Transfer a charter school that has operated under an existing charter for at least three years to its own charter with the same educational program and financial and operational processes.
- B. The Board shall make available on its web site instructions regarding eligibility and submission requirements for transfers specified under subsection (A).
- C. A charter holder that intends to transfer as specified under subsection (A) shall submit to the Board a letter of intent to transfer.
- D. Within 15 days after receiving a letter of intent to transfer, Board staff shall provide written notice to the charter holder of whether the charter holder may apply for transfer.
- E. A charter holder eligible to transfer under subsection (D) shall submit to the Board a paper charter transfer application package until electronic submission through ASBCS Online is available. After electronic submission through ASBCS Online is available, the Board shall not accept a paper submission.
- F. For a transfer to occur on July 1, a charter holder shall submit the letter of intent to transfer by the last business day of November of the prior fiscal year and the transfer application package by the last business day of February of the prior fiscal year.
- G. The Board shall provide the charter holder at least 72-hours' written notice of the date, time, and location of the Board meeting at which the Board will consider the charter holder's transfer application package. The charter holder shall attend the Board meeting.
- H. As required under A.R.S. § 41-1073, the Board establishes the following time frames for approving or disapproving a charter transfer:
  1. Administrative review time frame: 15 days;
  2. Substantive review time frame: 60 days; and
  3. Overall time frame: 75 days.

**Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-302 renumbered to R7-5-510; new Section R7-5-302 made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-303. Charter Amendment Requests**

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- A. A change to a charter requires the consent of both the Board and charter holder. To obtain the Board's consent to a change to a charter, the charter holder shall submit a charter amendment request to the Board.
- B. A charter holder shall not act in a manner contrary to the terms of the charter without obtaining the Board's prior consent to the change.
- C. The Board shall make available on its web site instructions regarding eligibility and submissions requirements for each amendment request listed under subsection (D).
- D. The Board shall accept requests for the following charter amendments:
  1. Add or remove a grade level to a charter;
  2. Addition of or change to an Arizona Online Instruction Program of Instruction; as expressly authorized under A.R.S. § 15-183(X), the Board shall charge a non-refundable processing fee of \$3,000 for each grade category involved in the charter amendment request;
  3. Change in charter holder entity name;
  4. Change in legal status of the charter holder;
  5. Change of entity that holds the charter;
  6. Change in charter mission;
  7. Increase or decrease the number of annual instructional days;
  8. Change in program of instruction including methods of instruction, criteria for promotion, and graduation requirements;
  9. Exception from state procurement requirements;
  10. Exception from the Uniform System of Financial Records for Charter Schools;
  11. Change charter holder governance;
  12. Change the mailing or physical address of the charter holder;
  13. Change charter representative;
  14. Increase or decrease the number of students the charter holder may serve;
  15. Add a charter school to an existing charter;
  16. Close a charter school under an existing charter;
  17. Change membership of a charter school governing body;
  18. Change the name of a charter school;
  19. Change the mailing or physical address of a charter school;
  20. Increase or decrease the grades served at a particular charter school; and
  21. Transfer of a charter school from the current charter to another existing charter with the same educational program and financial and operational processes.
- E. A charter holder shall submit an amendment request listed under subsection (D) to the Board electronically through ASBCS Online. The Board shall not accept a paper amendment request unless agreed to by Board staff and the charter holder before the amendment request is submitted.
- F. As required under A.R.S. § 41-1073, the Board establishes the following time frames for approving or disapproving a charter amendment request:
  1. Administrative review time frame: 20 days;
  2. Substantive review time frame: 40 days; and
  3. Overall time frame: 60 days.
- G. To determine the date on which the Board will approve or disapprove an amendment request listed under subsection (D), the charter holder shall consult the Board's meeting and submission-deadline schedule, which is posted on the Board's web site and ASBCS Online.
- H. The Board shall provide the charter holder at least 72-hours' written notice of the date, time, and location of the Board meeting at which the Board will consider the charter holder's

administratively and substantively complete amendment request. The charter holder shall attend the Board meeting.

- I. The Board has delegated to staff authority to approve charter amendment requests listed under subsection (D) for which the standards for approval can be applied without the exercise of discretion.

**Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-303 renumbered to R7-5-502; new Section R7-5-303 made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-304. Renumbered****Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section R7-5-304 renumbered to R7-5-601 at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1).

**ARTICLE 4. MINIMUM PERFORMANCE EXPECTATIONS****R7-5-401. Minimum Academic Performance Expectations**

- A. The Board shall assess a charter holder's achievement of the minimum academic performance expectations using student achievement measures, specified in the Academic Performance Framework, that are indicators of academic performance.
  1. The Board may assess a charter holder's achievement of the minimum academic performance expectations at any time.
  2. The Board shall assess a charter holder's achievement of the minimum academic performance expectations:
    - a. Annually when state assessment data are released for the previous year;
    - b. During the five-year-interval review required under A.R.S. § 15-183(I);
    - c. When considering the following submitted by the charter holder:
      - i. An application for a new charter,
      - ii. An application to transfer a charter school from an existing charter contract to a separate charter contract,
      - iii. A request to change the legal status of the charter holder; or
      - iv. A request to change the entity that holds the charter;
    - d. When considering an expansion request submitted by the charter holder to:
      - i. Add a new charter school to an existing charter,
      - ii. Add one or more grade levels to a charter,
      - iii. Increase the number of students the charter holder may serve,
      - iv. Add an Arizona Online Instruction program, or
      - v. Replicate an existing charter;
    - e. When considering a charter contract renewal request submitted by the charter holder;
    - f. Upon receipt of information that a charter school operated by the charter holder failed to meet the minimum academic performance expectations for three consecutive years;
    - g. Upon receipt of information that a charter school operated by the charter holder has been assigned a letter grade of "F" by the Department; and
    - h. When making a decision related to a charter holder's achievement of the minimum academic performance expectations or compliance with

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ter, other contractual agreements with the Board, federal and state law, and this Chapter.

- B. The Board shall annually assign a charter holder an overall academic performance rating that reflects the degree to which the charter holder achieved the minimum academic performance expectations.
- C. The Board shall determine a charter holder meets the minimum academic performance expectations if all charter schools operated by the charter holder receive an annual overall academic performance rating of “meets standard,” “above standard,” or “exceeds standard” in the most recent year for which data are available. A charter holder that meets the minimum academic performance expectations may be:
  - 1. Waived from some of the academic performance supervision requirements described in Article 5; and
  - 2. Entitled to reduced submission requirements:
    - a. Regarding requests made to the Board; and
    - b. During the five-year-interval review required under A.R.S. § 15-183(I).
- D. The Board shall determine a charter holder does not meet the minimum academic performance expectations if one or more of the charter schools operated by the charter holder did not receive an overall academic performance rating of “meets standard,” “above standard,” or “exceeds standard” in the most recent year for which data are available. A charter holder that does not meet the minimum academic performance expectations:
  - 1. Shall be required to demonstrate sufficient progress towards achieving the minimum academic performance expectations;
  - 2. May be subject to heightened submission requirements:
    - a. Regarding requests made to the Board, and
    - b. During the five-year-interval review required under A.R.S. § 15-183(I); and
  - 3. May be subject to charter oversight as specified in Article 6.

**Historical Note**

New Section made by final rulemaking at 10 A.A.R. 1141, effective March 2, 2004 (Supp. 04-1). Section repealed; new Section R7-5-401 made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-402. Minimum Financial Performance Expectations**

- A. The Board shall assess a charter holder’s achievement of the minimum financial performance expectations using data contained in the annual audit required under A.R.S. § 15-914 and conducted according to the standards specified in R7-5-504.
  - 1. The Board may assess a charter holder’s achievement of the minimum financial performance expectations at any time.
  - 2. The Board shall assess a charter holder’s achievement of the minimum financial performance expectations:
    - a. When considering an expansion request submitted by the charter holder to:
      - i. Add a new charter school to an existing charter,
      - ii. Add an Arizona Online Instruction program, or
      - iii. Replicate an existing charter;
    - b. During the five-year-interval review required under A.R.S. § 15-183(I);
    - c. When considering a charter contract renewal request submitted by the charter holder;
    - d. Upon receipt of information that a charter school operated by the charter holder failed to meet the minimum academic performance expectations for three consecutive years;

- e. Upon receipt of information that a charter school operated by the charter holder has been assigned a letter grade of “F” by the Department; and
- f. When making a decision related to the charter holder’s achievement of the minimum academic performance expectations or compliance with its charter, other contractual agreements with the Board, federal and state law, and this Chapter.

- B. The Board shall annually assign a charter holder a financial performance rating, based on measures specified in the Financial Performance Framework, which reflects both the charter holder’s near-term financial health and longer-term financial stability.
- C. The Board shall determine a charter holder meets the annual financial performance standard if the charter holder receives no measure rated “falls far below standard” and no more than one measure rated “does not meet standard” based on the most recent audit conducted under R7-5-504.
- D. The Board shall determine a charter holder meets the minimum financial performance expectations if the charter holder:
  - 1. Receives an overall rating of “meets the annual financial performance standard” based on the most recent audit conducted under R7-5-504; or
  - 2. Receives an overall rating of “meets the annual financial performance standard” based on the previous audit and receives an overall rating of “does not meet the annual financial performance standard” based on the most recent audit with no measure rated “falls far below standard.”
- E. The Board shall determine a charter holder does not meet the minimum financial performance expectations if the charter holder:
  - 1. Receives an overall rating of “does not meet the annual financial performance standard” and one or more measures rated “falls far below standard” based on the most recent audit conducted under R7-5-504; or
  - 2. Receives an overall rating of “does not meet the annual financial performance standard” based on both of the last two audits conducted under R7-5-504.
- F. A charter holder that meets the minimum financial performance expectations may be entitled to reduced submission requirements at the times specified under subsection (A). The Board shall require a charter holder that does not meet the minimum financial performance expectations to submit a financial performance response as specified under R7-5-509 at the times specified in subsections (A)(2)(a)-(e) and may require a charter holder that does not meet the minimum financial performance expectations to submit a financial performance response as specified under R7-5-509 at the times specified in subsection (A)(2)(f).

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-403. Minimum Operational Performance Expectations**

- A. The Board shall assess a charter holder’s achievement of the minimum operational performance expectations. To avoid duplicative reporting burdens, the Board shall use data collected from a variety of sources that reflect on the charter holder’s compliance with the charter contract, other contractual agreements with the Board, federal and state law, and this Chapter.
  - 1. The Board may assess a charter holder’s achievement of the minimum operational performance at any time.

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2. The Board shall assess a charter holder's achievement of the minimum operational performance expectations:
  - a. When considering the following submitted by the charter holder:
    - i. An application for a new charter;
    - ii. An application to transfer a charter school from an existing charter contract to a separate charter contract;
    - iii. A request to change the legal status of the charter holder;
    - iv. A request to change the entity that holds the charter; or
    - v. A request to change program of instruction including methods of instruction, criteria for promotion, or graduation requirements;
  - b. When considering an expansion request submitted by the charter holder to:
    - i. Add a new charter school to an existing charter,
    - ii. Add one or more grade levels to a charter,
    - iii. Increase the number of students the charter holder may serve,
    - iv. Add an Arizona Online Instruction program, or
    - v. Replicate an existing charter;
  - c. During the five-year-interval review required under A.R.S. § 15-183(I);
  - d. When considering an application for charter renewal submitted by the charter holder;
  - e. Upon receipt of information that a charter school operated by the charter holder failed to meet the minimum academic performance expectations for three consecutive years; and
  - f. Upon receipt of information that a charter school operated by the charter holder has been assigned a letter grade of "F" by the Department.
- B. The Board shall annually assign a charter holder an overall operational performance rating based on the measures specified in the Operational Performance Framework, which reflect the degree to which the charter holder achieved the minimum operational performance expectations. The Board shall make each charter holder's operational performance dashboard publicly available and post it on ASBCS Online.
- C. The Board shall determine a charter holder meets the minimum operational performance standard if the charter holder receives no measure rated "falls far below standard" and no more than five measures rated "does not meet standard" for the evaluated year.
- D. The Board shall determine a charter holder meets the minimum operational performance expectations if the charter holder receives an overall rating of "meets the Board's operational performance standard" in both of the two most recent years for which an overall rating was calculated and has no measure rated "falls far below standard" in the current year.
- E. The Board shall determine a charter holder does not meet the minimum operational performance expectations if the charter holder receives an overall rating of "does not meet the Board's operational performance standard" in at least one of the two most recent years for which an overall rating was calculated or has at least one measure rated "falls far below standard" in the current year.
- F. If the Board determines a charter holder does not meet the minimum operational performance expectations, the Board shall consider charter oversight under Article 6.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-404. Development and Use of Performance Frameworks**

- A. The Board shall revise the Academic, Financial, and Operational Performance Frameworks as needed. During the process of revision, the Board shall provide the public with notice and an opportunity to comment on proposed revisions. The Board shall adopt revisions at a public meeting.
- B. The Board shall ensure the Academic Performance Framework includes considerations for non-traditional charter schools, including small charter schools with very low enrollment and those designated by the Department as alternative schools.
- C. Use of the Academic Performance Framework is contingent on a charter school's receipt of an annual achievement profile under A.R.S. § 15-241. The Board shall assign a rating of "no rating" to a charter school that does not provide enough data to make a calculation.
- D. If the Department does not timely release annual achievement profiles under A.R.S. § 15-241, rather than assigning a rating of "no rating" to all charter schools, the Board may use the most recent available data for each measure.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**ARTICLE 5. CHARTER SUPERVISION****R7-5-501. General Supervision**

- A. A charter holder shall:
  1. Comply with the provisions of its charter, contractual agreements with the Board, federal and state laws, and this Chapter; and
  2. Meet the minimum performance expectations specified in Article 4.
- B. The Board may supervise a charter holder's compliance with subsection (A) using any of the following means:
  1. Oral or written communication with:
    - a. The charter representative or authorized charter school personnel; and
    - b. Representatives of federal, state, and local agencies having jurisdiction over operation of the charter school or having authority to investigate or adjudicate allegations of misconduct by any member of the charter school's staff;
  2. Collection and review of reports, audits, data, records, documents, files, and communication from any source relating to any activity or program conducted by or for the charter school;
  3. A site visit as described in R7-5-502;
  4. Annual academic performance review as described in R7-5-503;
  5. Annual audit and financial performance review as described in R7-5-504 and, if necessary, a financial performance response as described in R7-5-509;
  6. Operational performance review as described in R7-5-505;
  7. Five-year-interval review of academic, financial, and operational performance, as described in R7-5-506; and
  8. Complaints as described in R7-5-507.
- C. If the specified deadline has not passed, Board staff may grant a charter holder an extension to submit a CAP or other response required under R7-5-502(G), R7-5-504(G), R7-5-

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505(D), R7-5-505(E), R7-5-506(B)(2), R7-5-507(C), or R7-5-509(B).

1. In determining whether to grant an extension, Board staff shall consider the following, as applicable:
  - a. Whether the charter school at issue was in session when the Board provided notice to the charter holder,
  - b. Whether the charter school at issue was in session during the period provided in the notice for the charter holder to respond to the Board, and
  - c. Whether additional time is required by the charter holder because of the number or complexity of matters to be addressed.
2. Even if the specified deadline has not passed, Board staff shall not grant an extension for a financial performance response required as part of the charter holder's renewal application.

**Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section repealed; new Section renumbered from R7-5-301 and amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-502. Site Visits**

- A. A designee of the Board or Department may conduct a site visit of a charter school to review or evaluate the charter holder's compliance with R7-5-501(A).
- B. A designee of the Board or Department may conduct a site visit to corroborate information submitted to the Board or Department and to gather information, documentation, and testimony that permit the Board to evaluate the charter holder's compliance with R7-5-501(A).
- C. A designee of the Board or Department who conducts a site visit shall do so during regular operational hours of the charter school or at any other reasonable time.
- D. A designee of the Board or Department may conduct either an announced or unannounced site visit.
- E. Upon request by a designee of the Board or Department, a charter holder shall open for inspection all records, documents, and files relating to any activity or program conducted by or for the charter school or the charter holder relating to the charter school.
- F. Upon request by a designee of the Board or Department, a charter holder shall provide access to all school facilities.
  1. During a site visit, a charter holder shall provide access to classrooms for the purpose of counting students, observing a program of instruction, or documenting individuals providing instruction.
  2. In conducting a site visit, the designee of the Board or the Department shall make every effort not to disrupt the classroom environment.
- G. The Board or Department shall inform a charter holder in writing of any issue identified during a site visit and specify any further action required by the charter holder. To assist with this requirement, Board staff shall direct the charter holder to submit a CAP, as described in R7-5-510, which addresses the issue.

**Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section repealed; new Section renumbered from R7-5-303 and amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-503. Annual Academic Performance Review**

- A. When the Department releases the annual achievement profile under A.R.S. § 15-241, the Board shall:
  1. Calculate an overall academic rating for each charter school sponsored by the Board using the Academic Performance Framework, and
  2. Make the annual overall academic performance dashboard publicly available and post it on ASBCS Online.
- B. If the Board determines a charter holder does not meet the Board's minimum academic performance expectations, as defined under R7-5-401(D), the Board shall require the charter holder to demonstrate sufficient progress towards achieving the minimum academic performance expectations.

**Historical Note**

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section repealed; new Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-504. Annual Audit and Financial Performance Review**

- A. By July 1 of each year, the Board shall make available on its web site written requirements regarding the audit each charter school is required to submit annually under A.R.S. §§ 15-183(E)(6) and 15-914.
- B. Before beginning the audit, a charter holder or the audit firm shall submit for the Board's approval a copy of the audit contract the charter holder intends to execute with an audit firm.
  1. Board staff shall approve the audit contract unless the Board has knowledge that one of the following is applicable:
    - a. A person employed by the audit firm has been convicted under federal or state law of a crime indicating lack of business integrity or honesty;
    - b. The audit firm or supervising certified public accountant is subject to a current or pending disciplinary action or a regulatory action requiring the audit firm or supervising certified public accountant to complete conditions specified by an accounting industry regulatory body;
    - c. The audit firm violates or fails to meet generally accepted auditing standards or generally accepted government auditing standards as identified by an accounting industry regulatory body;
    - d. The audit firm receives an opinion of "fail" during the audit firm's most recent peer review;
    - e. An auditor scheduled to work on the audit fails to meet the continuing professional education requirements prescribed by generally accepted government auditing standards; or
    - f. The audit firm fails to agree to adhere to the audit requirements specified in subsection (A).
  2. Within 10 days after receiving a copy of an audit contract under subsection (B), the Board shall provide the charter holder and audit firm written notice whether the audit contract is approved.
  3. If the Board disapproves an audit contract submitted under subsection (B), the Board shall include the reason for the disapproval in the written notice provided under subsection (B)(2). If the charter holder or audit firm provides documentation to the Board demonstrating the cause for the disapproval no longer exists, Board staff shall approve the audit contract and provide written notice to the charter holder and audit firm.
- C. A charter holder or the audit firm that conducts an audit for the charter holder shall submit the annual audit to a determination whether the audit is complete. s after receiving the annual audit, Board staff e

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charter holder and audit firm written notice whether the audit is complete.

- D. Board staff shall find an audit is incomplete if it does not comply with all requirements specified under subsection (A) or if the audit is prepared by an audit firm that fails to meet the requirements under subsection (B)(1)(a)-(e). If Board staff finds an audit is incomplete, Board staff shall include the reason for the finding in the notice provided under subsection (C). If the charter holder or audit firm provides documentation to the Board demonstrating the reason for the finding no longer exists, Board staff shall find the annual audit is complete and provide written notice to the charter holder and audit firm.
- E. A charter holder that fails to submit timely a complete audit may be subject to charter oversight as specified in Article 6.
- F. Board staff shall review each audit deemed complete.
- G. Board staff shall send notice to a charter holder after the audit is reviewed unless the Board has been notified the charter holder will not be operating during the next fiscal year. If the Board identifies an issue in the audit, Board staff shall direct the charter holder to address the issue and may require the charter holder to submit a CAP, as described in R7-5-510.
- H. If Board staff identifies a serious impact finding in the audit, the charter holder shall be subject to charter oversight as specified in Article 6 unless the charter holder provides credible evidence to the Board that the charter holder's next audit will find the charter holder in compliance.
- I. The Board shall annually calculate a financial performance rating for each charter holder using the Financial Performance Framework and the annual audit submitted to the Board by the charter holder. The Board shall make each charter holder's financial performance dashboard publicly available and post it on ASBCS Online.

#### Historical Note

New Section made by final rulemaking at 12 A.A.R. 577, effective February 7, 2006 (Supp. 06-1). Section repealed; new Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

#### R7-5-505. Operational Performance Review

- A. Board staff shall conduct a site visit to a charter school during the charter school's first year of operation, and thereafter as specified in R7-5-502, to evaluate the charter holder's compliance with its charter, other contractual agreements with the Board, federal and state law, and this Chapter.
- B. Before conducting the first-year site visit specified under subsection (A), Board staff shall ask the charter holder to identify dates within a specified time frame not conducive to an unscheduled first-year site visit. This includes dates of an early release, parent conferences, or school not being in session.
- C. Board staff may conduct a compliance check of a charter holder's operational performance at any time. The Board shall conduct a compliance check when:
  1. The charter holder seeks to amend the charter or makes another request of the Board; or
  2. A lending institution, bond rating agency, or similar entity that has a loan or bond arrangement with the charter holder contacts Board staff to discuss the charter holder's current standing with the Board.
- D. Within 10 days after completing the site visit under subsection (A), Board staff shall provide the charter holder with written notice of any compliance issues identified and, if applicable, require the charter holder to submit a CAP as described in R7-5-510.
- E. Within 10 days after completing a compliance check under subsection (C), Board staff shall provide the charter holder

with written notice of any compliance issues identified and specify a deadline for addressing the issues.

- F. After receiving the notice provided under subsection (E), the charter holder shall provide the Board with written notice demonstrating that all identified compliance issues have been addressed by the specified deadline.
- G. The Board shall require a charter holder that fails to provide the notice required under subsection (F) or fails to demonstrate that all identified compliance issues have been addressed to appear before the Board and:
  1. May subject the charter holder's requests to heightened review,
  2. Shall not place the charter holder's requests on a Board agenda, and
  3. May subject the charter holder to charter oversight as described in Article 6.

#### Historical Note

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

#### R7-5-506. Five-year-interval Review

- A. As required under A.R.S. § 15-183(I)(3), the Board shall review a charter holder at five-year intervals for:
  1. Compliance with its charter, other contractual agreements with the Board, federal and state law, and this Chapter; and
  2. Achievement of the minimum performance expectations specified in Article 4.
- B. Board staff shall provide a charter holder with notice of a five-year-interval review. Board staff shall include in the notice:
  1. The information the charter holder is required to submit to the Board,
  2. The deadline by which the charter holder shall submit the required information, and
  3. A request for the charter holder to identify dates within a specified time frame not conducive to an unscheduled academic-systems-review site visit. This includes dates of an early release, parent conferences, or school not being in session.
- C. The Board shall require a financial performance response, as described under R7-5-509, from a charter holder that does not meet the Board's minimum financial performance expectations.
- D. The Board shall require a charter holder to review and confirm information concerning the charter's mission statement, program of instruction, instructional days, school calendar, charter representative, grade levels served, enrollment cap, principals, school site, and charter holder locations and, as applicable submit requests for appropriate post-charter actions as described in Article 3.
- E. A charter holder that fails to submit the information required by the deadline specified in subsection (B) shall appear before the Board and may be subject to charter oversight as described in Article 6.
- F. As part of a five-year-interval review, Board staff shall conduct an unscheduled academic-systems-review site visit, in accordance with R7-5-502, to gather evidence regarding the charter holder's implementation of a comprehensive program of instruction and a method to measure pupil progress toward outcomes required in the charter. Using the information provided by the charter holder under subsection (B)(3), Board staff shall provide written notice to the charter holder of the two-week interval during which Board staff will conduct the unscheduled academic-systems-review site visit.

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**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-507. Complaints**

- A.** To make a complaint regarding a charter holder, a person shall submit to the Board a document through ASBCS Online that:
1. Alleges with particularity the charter holder is not in compliance with its charter, other contractual agreements with the Board, federal or state law, or this Chapter;
  2. Includes a statement of the facts on which the allegation of violation is based; and
  3. Includes supporting evidence, if available.
- B.** Board staff shall review the complaint to determine whether the complaint is within the Board's jurisdiction.
1. If Board staff determines the complaint is not within the Board's jurisdiction but may be within the jurisdiction of another agency, Board staff shall inform the complainant of the agency that has jurisdiction and that the complainant may file the complaint with the appropriate agency; or
  2. If Board staff determines the complaint is within the Board's jurisdiction, Board staff shall, within five days after receiving the complaint, send a copy to the charter holder complained against.
- C.** A charter holder complained against shall, within 10 days after receiving a copy of the complaint provided under subsection (B)(2), provide a written response to the Board that addresses each allegation, the statement of facts, and supporting evidence in the complaint. The charter holder may include evidence of compliance with the response. Board staff may grant the charter holder an extension to submit the written response.
- D.** Board staff shall review the complaint and the charter holder's response to determine whether a violation of the charter, other contractual agreements with the Board, federal or state law, or this Chapter can be substantiated. Board staff shall conduct further investigation if additional information is needed. Board staff may place the charter holder on an agenda for the Board to determine whether the charter holder is in compliance with the charter, other contractual agreements with the Board, federal and state law, and this Chapter.
- E.** Within 10 days after receiving the charter holder's response under subsection (C), Board staff shall send:
1. The complainant a copy of the response, and
  2. The complainant and charter holder notice of the final action to be taken.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-508. Demonstration of Sufficient Progress towards Minimum Academic Performance Expectations**

- A.** The Board shall require a charter holder to demonstrate the charter holder is making sufficient progress towards achieving the minimum academic performance expectations if:
1. The Board determines under R7-5-401(D) the charter holder does not meet the minimum academic performance expectations; or
  2. A charter school operated by the charter holder is assigned a letter grade of "F" by the Department.
- B.** Within 30 days after issuing overall ratings, the Board shall provide the charter holder with a written notification of the charter holder's progress toward meeting the minimum academic performance expectations.
- C.** If a charter school operated by a charter holder receives an overall rating of "does not meet" or "falls far below" for three

consecutive years, the Board shall conclude the charter holder has failed to demonstrate sufficient progress.

- D.** If the Board concludes a charter holder has failed to demonstrate sufficient progress, the charter holder may be subject to charter oversight as specified in Article 6.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-509. Financial Performance Response**

- A.** The Board shall require a charter holder to prepare a financial performance response if the Board determines under R7-5-402(E) the charter holder does not meet the minimum financial performance expectations at one of the times specified in R7-5-402(A)(2)(a)-(e).
- B.** Board staff shall provide written notice to a charter holder that is required to submit a financial performance response. Board staff shall ensure the notice includes the following:
1. Information on how to access the charter holder's financial performance dashboard, and
  2. The deadline for submitting the financial performance response to the Board.
- C.** For each measure for which a charter holder received a "does not meet standard" or "falls far below standard" during the most recent audited fiscal year presented in the financial performance dashboard and by the deadline specified in subsection (B)(2), the charter holder shall:
1. Explain why the charter holder failed to meet the measure's target in the audited fiscal year,
  2. Explain the charter holder's effort to improve its performance so it is possible to meet the measure's target in the next fiscal year or a subsequent fiscal year, and
  3. Provide evidence that supports the charter holder's explanation and analysis under subsections (C)(1) and (2).
- D.** Within 60 days after receiving a financial performance response or when the five-year interval review is closed out for a financial performance response submitted as part of a five-year interval review, Board staff shall provide the charter holder with written notice that the response is acceptable or not acceptable. Board staff shall find a financial performance response acceptable if it includes the explanations and evidence required under subsection (C).
- E.** If Board staff finds a financial performance response is not acceptable, the Board shall allow the charter holder to supplement the financial performance response if the charter holder is in a process that requires the financial performance response to be considered at a Board meeting.
- F.** If the Board allows a charter holder to supplement a financial performance response under subsection (E), Board staff shall:
1. Include the deadline for submitting the supplemented financial performance response in the notice provided under subsection (D); and
  2. Find the supplemented financial performance response acceptable if it includes the explanations and evidence required under subsection (C).
- G.** Board staff shall include the supplemented financial performance response and the determination made under subsection (F)(2) in the meeting materials provided to the Board. The supplemented financial performance response and the Board's final determination shall be posted on ASBCS Online.
- H.** If a charter holder fails to submit or fails to submit timely a required financial performance response, the failure shall be noted in the charter holder's operational performance dashboard posted on ASBCS Online.

**Historical Note**

New Section made by final rulemaking at 23 A

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effective May 6, 2017 (Supp. 17-1).

**R7-5-510. Corrective Action Plan**

- A.** Board staff shall require a charter holder to prepare a CAP for:
1. Any issue identified during a site visit described in R7-5-502 or R7-5-505,
  2. An issue identified through the audit described in R7-5-504, or
  3. Actions taken by the Board to withhold up to 10 percent of the charter holder's monthly state aid as described in R7-5-601 and R7-5-605.
- B.** Board staff shall provide written notice to a charter holder required to prepare a CAP. Board staff shall ensure the written notice includes the following:
1. An explanation of why the charter holder is required to submit a CAP,
  2. A description of the issue,
  3. A list of the specific information required in the CAP,
  4. The deadline for submitting the CAP to the Board,
  5. The time during which the charter holder is required to implement the CAP, and
  6. The consequences if the charter holder fails to submit or implement the CAP.
- C.** Within 10 days after receiving the CAP, Board staff shall provide written notice to the charter holder that:
1. A complete CAP was received and implementation is required; or
  2. Additional information is required and the deadline for submitting the additional information to the Board.
- D.** Board staff shall monitor, through site visits and review of documentary evidence, the charter holder's implementation of the CAP until the Board determines the issue has been corrected.
- E.** If a charter holder fails to submit a required CAP, fails to submit additional information required under subsection (C)(2), or fails to implement the CAP timely, the charter holder may be subject to charter oversight as specified in Article 6.

**Historical Note**

New Section R7-5-510 renumbered from R7-5-302 and amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**ARTICLE 6. CHARTER OVERSIGHT****R7-5-601. Charter Oversight: General Provisions**

- A.** Before the Board determines a charter holder is not in compliance with its charter, other contractual agreements with the Board, federal or state laws, or this Chapter and decides whether to impose charter oversight, the Board shall provide notice to the charter holder.
- B.** The Board shall provide the charter holder with at least 72-hours' notice of the date, time, and location of the meeting at which the Board will decide whether to impose charter oversight. The Board shall include in the notice the purpose of the meeting and why the Board is considering imposing charter oversight.
- C.** In determining the appropriate charter oversight action to take, the Board shall consider the following, as applicable:
1. Threat to the health or safety of children;
  2. Whether the charter holder's historical compliance record indicates repeated or multiple breaches of the provisions of its charter, other contractual agreements with the Board, federal or state laws, or this Chapter;
  3. Whether the charter holder has failed to meet the minimum academic performance expectations specified under R7-5-401;
  4. Length of time the issue has been occurring;

5. The charter holder's compliance with and response to Board investigation by providing necessary information and documentation within requested time frames;
  6. Whether there has been a misuse of funds; and
  7. Any other factor that bears on the charter holder's ability and willingness to comply with its charter, other contractual agreements with the Board, federal and state laws, and this Chapter.
- D.** Charter oversight actions available to the Board include, but are not limited to the following:
1. Imposing a civil penalty, as authorized under A.R.S. § 15-185 and described under R7-5-604;
  2. Requesting the Department withhold up to 10 percent of a charter holder's monthly state aid as authorized under A.R.S. § 15-185 and described under R7-5-605 and requiring the charter holder to submit a CAP as described under R7-5-510;
  3. Entering into a consent agreement with a charter holder as described under R7-5-606;
  4. Issuing a notice of intent to revoke a charter as authorized under A.R.S. § 15-183 and described under R7-5-607; and
  5. Revoking a charter as authorized under A.R.S. § 15-183 and described under R7-5-607.

**Historical Note**

New Section R7-5-601 renumbered from R7-5-304 and amended by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-602. Oversight of Charter Schools Assigned a Letter Grade of "F" by the Department**

- A.** If the Department notifies the Board, as required under A.R.S. § 15-241, that a charter school has been assigned a letter grade of "F," the Board shall require the charter holder to appear before the Board for consideration of whether the Board will issue a notice of intent to revoke the charter under R7-5-607 or restore the charter to acceptable performance through a consent agreement under R7-5-606.
- B.** Upon receipt of the Department's notice under subsection (A), the Board shall provide written notice to the charter holder that the school has been designated a failing school.
- C.** Within 30 days after receipt of the notice provided under subsection (B), the charter holder shall:
1. As required under A.R.S. § 15-241, provide written notice to the parents or guardians of all students attending the school that the Department has assigned the school a letter grade of "F" because the school is demonstrating a failing level of performance. The charter holder shall provide to the Board a copy of the notice required under this subsection;
  2. Provide the Board with a list of the names and mailing addresses of the parents or guardians of all students attending the school;
  3. Ensure the charter school's public communications that make a statement concerning the charter school's academic performance, including the charter school's web site and promotional materials, accurately describe the charter school's most current annual achievement profile assigned by the Department; and
  4. If notified the charter holder does not meet the minimum financial performance expectations, submit a financial performance response as described under R7-5-509.
- D.** If required, Board staff shall evaluate the financial performance response specified under R7-5-509.
- E.** The Board shall provide the charter holder with at least 72 hours' written notice of the date, time, and location of the pub-

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lic meeting at which the Board will consider whether to restore the charter to acceptable performance or revoke the charter. In making this decision, the Board shall consider all relevant factors including:

1. Whether the charter holder complied fully with the provisions of subsection (C);
  2. Whether the charter holder failed to meet the minimum academic performance expectations based on student achievement measures specified in the Academic Performance Framework;
  3. Whether the charter holder has demonstrated, under R7-5-508, sufficient progress toward achieving the minimum academic performance expectations;
  4. Whether the charter holder meets the minimum financial performance expectations;
  5. Whether the charter holder timely complied with Board requests for information and documents;
  6. Whether the charter holder's historical compliance record indicates repeated or multiple breaches of its charter, other contractual agreements with the Board, federal or state law, or this Chapter; and
  7. Any other factor the Board determines has a bearing on the charter holder's ability or willingness to comply with the provisions of its charter, other contractual agreements with the Board, federal and state law, and this Chapter.
- F.** If the Board decides to restore the charter to acceptable performance, the Board shall enter into a consent agreement with the charter holder as provided under R7-5-606. If the Board decides to revoke the charter, the Board shall issue a notice of intent to revoke the charter as provided under R7-5-607.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-603. Oversight of Charter Schools Assigned a Letter Grade of "D" by the Department**

- A.** Within 30 days after the Department notifies a charter holder under A.R.S. § 15-241 that a charter school operated by the charter holder has been assigned a letter grade of "D," the charter holder shall:
1. Comply fully with A.R.S. § 15-241 by providing written notice to the parents or guardians of all students attending the school. The charter holder shall include the following in the notice:
    - a. The Department has assigned the charter school a letter grade of "D;"
    - b. The charter holder is required under A.R.S. § 15-241.02 to prepare an improvement plan within 90 days after the charter school was assigned a letter grade of "D;" and
    - c. The charter holder is required to present the improvement plan to the Board at a public meeting;
  2. Provide the Board a copy of the notice required under subsection (A)(1);
  3. Provide the Board with a list of the names and mailing addresses of the parents or guardians of all students attending the school; and
  4. Ensure the charter school's public communications that make a statement concerning the charter school's academic performance, including the charter school's web site and promotional materials, accurately describe the charter school's most current academic performance rating assigned by the Department.
- B.** The Board shall require a charter holder that fails to comply fully with subsection (A) to appear before the Board for con-

sideration of the charter holder's noncompliance and may subject the charter holder to additional charter oversight.

- C.** Under A.R.S. § 15-241.02, the Board is required to revoke the charter of a charter school if the Board determines the improvement plan required under subsection (A)(1)(b) was not properly implemented.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-604. Civil Penalty for Fingerprinting Violation**

- A.** After identifying a violation of A.R.S. §§ 15-183, 15-512 or both, Board staff shall provide the charter holder with written notice of noncompliance with statutory fingerprinting requirements and the date, time, and location of the Board meeting at which the Board will consider whether to impose a civil penalty under A.R.S. § 15-185.
- B.** If the Board determines a charter holder has failed to comply with the statutory fingerprinting requirements in A.R.S. §§ 15-183 or 15-512, the Board may impose a civil penalty of \$1,000 per occurrence as provided under A.R.S. § 15-185.
- C.** Within 30 days after a civil penalty is imposed under subsection (B), the charter holder may submit to the Board a written appeal of the civil penalty. The charter holder shall include the following information in the written appeal:
1. Name and address of the appellant;
  2. Concise statement of the reason for the appeal;
  3. Relief sought; and
  4. If the appellant will be represented by an attorney, the attorney's name, address, and telephone number.
- D.** The Board shall hold a hearing to consider the appeal within 60 days after receiving the appeal.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-605. Withholding State Funds**

- A.** Under A.R.S. § 15-185, if the Board determines at a public meeting that a charter holder is not in compliance with its charter or federal or state law, the Board may request the Department to withhold up to 10 percent of the charter holder's monthly apportionment of state aid.
- B.** If the Board decides to request that the Department withhold part of the charter holder's monthly apportionment of state aid, the Board shall provide written notice to the charter holder. The Board shall include the following in the notice:
1. The reason the withholding is being imposed,
  2. The percentage of the charter holder's monthly apportionment of state aid to be withheld,
  3. The date on which the withholding will begin, and
  4. Actions required by the charter holder before the full amount of state aid is restored.
- C.** If a percentage of the charter holder's monthly apportionment of state aid is withheld for six months and the charter holder has not completed the actions required under subsection (B)(4), the Board shall consider the charter holder's noncompliance and may subject the charter holder to additional charter oversight including issuing a notice of intent to revoke under R7-5-607.
- D.** If a percentage of the charter holder's monthly apportionment of state aid is withheld for failure to submit an audit for two months, the Board shall consider the charter holder's noncompliance and may subject the charter holder to a r oversight including issuing a notice of intent r R7-5-607.

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- E. When the Board determines the charter holder is in compliance with its charter and federal and state law, the Board shall request that the Department restore the full amount of state aid to the charter holder.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-606. Consent Agreement**

- A. If the Board determines that a charter holder is not in compliance with its charter, other contractual agreements with the Board, federal or state law, or this Chapter, the Board may enter into a consent agreement with the charter holder to resolve the noncompliance.
- B. The Board shall include the following in a consent agreement:
1. The reason for the consent agreement;
  2. The facts and conditions to which the Board and charter holder agreed;
  3. The actions the charter holder must take to demonstrate compliance and avoid further charter oversight;
  4. The time within which the charter holder is to complete the actions specified under subsection (B)(3); and
  5. After approval by both the Board and charter holder, the signatures of both the Board president and charter representative.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).

**R7-5-607. Revocation**

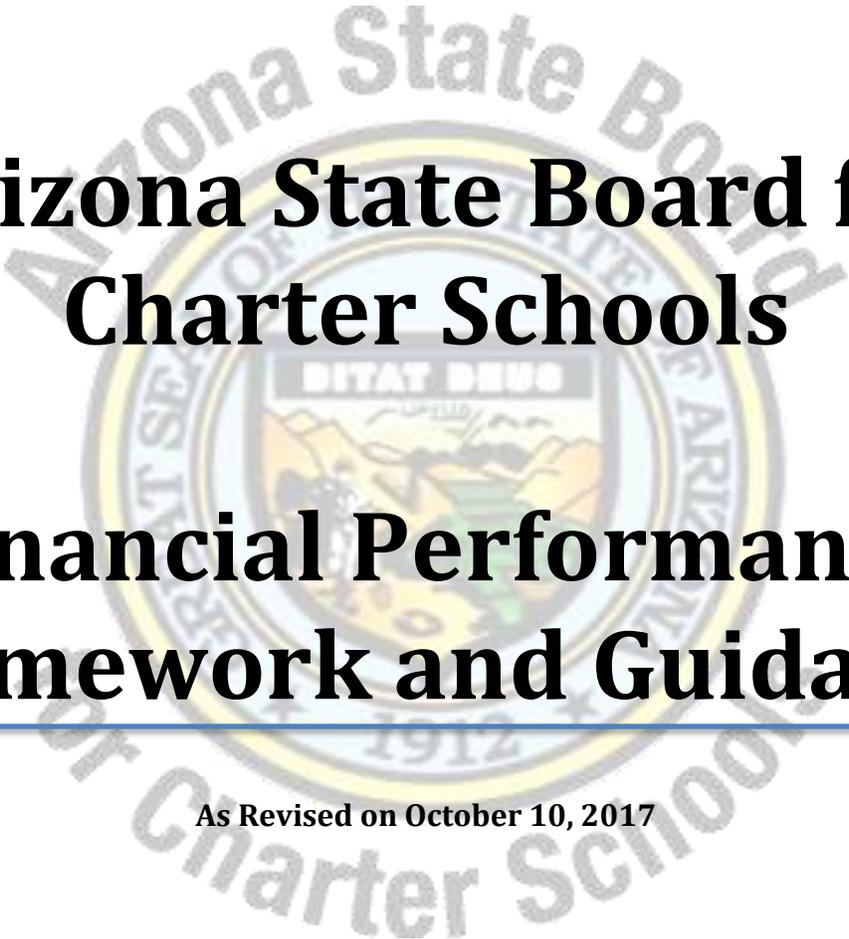
- A. If the Board determines that a charter holder is not in compliance with its charter, federal or state law, or this Chapter, the

Board may issue a written notice of intent to revoke the charter as authorized under A.R.S. § 15-183.

- B. When a charter holder receives a notice of intent to revoke and notice of hearing, the charter holder shall:
1. Within 48 hours after receiving the notice of intent to revoke and notice of hearing, provide written notice that includes the following to all staff and the parents or guardians of all students attending the school:
    - a. A notice of intent to revoke has been received;
    - b. The notice of intent to revoke may be inspected at the charter school location; and
    - c. The date, time, and location of the hearing set with the Office of Administrative Hearings; and
  2. Within 20 days after receiving the notice of intent to revoke, provide the Board with:
    - a. A copy of the notice required under subsection (B)(1), and
    - b. A list of the names and mailing addresses of the parents or guardians of all students attending the school.
- C. Both the Board and charter holder shall appear for an administrative hearing before an administrative law judge at the Office of Administrative Hearings on the date provided in the notice of intent to revoke.
- D. After the administrative hearing under subsection (C) and receipt of the decision of the administrative law judge, the Board shall hold a public meeting at which the Board shall:
1. Decide whether to accept, reject, or modify the decision of the administrative law judge; and
  2. Take action on the charter.

**Historical Note**

New Section made by final rulemaking at 23 A.A.R. 693, effective May 6, 2017 (Supp. 17-1).



# Arizona State Board for Charter Schools

## Financial Performance Framework and Guidance

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As Revised on October 10, 2017

**Historical Note:**

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Revision effective October 10, 2017

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Revised: September 9, 2013, October 15, 2013, October 14, 2014, June 13, 2016, October 10, 2017

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## **Financial Performance Framework Guidance**

Charter holders have the autonomy to manage their finances consistent with state and federal law and the charter contract. The purpose of the Financial Performance Framework (“financial framework”) is to communicate the State Board for Charter Schools’ (“Board”) expectations for ensuring that all charter holders in its portfolio are viable organizations with strong fiscal management practices. To this end, the financial framework focuses on outcomes or performance goals not necessarily established in law.

The Board, in its oversight of charter holders and the schools that they operate, strives not to be over-reaching, but also recognizes the need to protect the public’s interests. Because charter schools are public schools they must maintain the public’s trust that they are implementing their education program as set out in the charter, spending public funds responsibly, and adhering to laws and charter requirements regarding their operations. However, the Board is aware of the delicate balance between appropriate oversight and infringement on autonomy.

In developing the financial framework, the Board remained conscious of its limited resources to implement the financial framework. The Board was also mindful of its commitment to maintaining current levels of data collection so as not to unnecessarily burden the charter holders with requirements to submit additional information for financial performance rating determinations.

### **FINANCIAL PERFORMANCE FRAMEWORK STRUCTURE**

The financial framework, which has been included as Appendix A, gauges both near-term financial health and longer term financial sustainability. The portion of the financial framework that tests a charter holder’s near-term financial health is designed to depict the charter holder’s financial position and viability for the upcoming year. The portion of the financial framework that tests a charter holder’s longer term financial sustainability is designed to depict the charter holder’s financial position and viability over time. Charter holders meeting the desired standards demonstrate a low risk of financial distress. Charter holders not meeting the desired standards may currently be experiencing financial difficulties and/or may be at a higher risk for financial hardship in the future.

The financial framework includes five main levels of information: Indicators, Measures, Metrics, Targets, and Ratings. In addition to the information found below, the financial framework’s measures, metrics, targets, and ratings are further described in the “Measures in Detail” section of this guidance.

#### **Indicators**

Indicators are general categories of financial performance used to identify the financial information that best reflects the current financial status of a charter holder versus the information that better depicts the future financial viability of the charter holder. Near-Term Indicators and Sustainability Indicators are used in the financial framework.

## **Measures**

Measures are the general means to evaluate an aspect of an indicator. Six measures are used in the financial framework: Going Concern, Unrestricted Days Liquidity, Default, Net Income, Cash Flow, and Fixed Charge Coverage Ratio.

## **Metrics**

Metrics are a means for evaluating measures. As an example, the formula for evaluating Net Income is total revenues less total expenses.

## **Targets**

Targets are the thresholds set to determine whether performance for a specific measure has been met or not. Using the Net Income measure again, the Board has set the target for the “Meets Standard” rating as Net Income is greater than or equal to \$1.

## **Ratings**

For each measure a charter holder receives one of three ratings based on whether the charter holder met the target.

### *Meets Standard*

The charter holder’s performance on this measure does not signal a financial risk to the charter holder and meets the Board’s expectation. Meeting the standard requires no follow up action by the charter holder.

### *Does Not Meet Standard*

The charter holder’s performance on this measure signals a moderate financial risk to the charter holder and does not meet the Board’s expectation. This measure may require follow up depending on the interplay with other measures. Charter holders not meeting the standard in more than one measure are required to submit a financial performance response as addressed in the “Evaluation and Intervention” section of this document and Appendix B. Not meeting the standard may have an adverse impact on the consideration of the renewal application package and other requests made by the charter holder or at times when disciplinary action is considered. Charter holders may also be limited in their ability to expand their operations.

### *Falls Far Below Standard*

The charter holder’s performance on this measure signals a potentially significant financial risk to the charter holder and is far below the Board’s expectation. Charter holders are required to submit a financial performance response as addressed in the “Evaluation and Intervention” section of this document and Appendix B. Falling far below the standard may have an adverse impact on the consideration of the renewal application package and other requests made by the charter holder or at times when disciplinary action is considered. Charter holders may be limited in their ability to expand their operations.

## USING THE FINANCIAL PERFORMANCE FRAMEWORK

### Collecting Evidence

The annual statutorily required audits conducted by independent certified public accountants provide the information necessary to determine a charter holder’s financial performance. In accordance with the parameters established in the [Board’s Strategic Plan](#), the financial framework uses information already collected by the Board to assess charter holders’ financial performance and does not require charter holders to provide additional information for rating determinations.

The following information from the annual audit reporting packages will be used:

- Independent Auditor’s Report on the financial statements
- Audited statement of financial position
- Audited statement of activities and changes in net assets
- Audited statement of cash flows
- Notes to the audited financial statements
- Applicable compliance questionnaire

Since a large percentage of the Board’s charter contracts are with non-profit entities, throughout this document the financial statements will be referred to using non-profit terminology. Statements reported in for-profit or governmental audits use the following corresponding names:

<b>Non-profit</b>	<b>For-profit</b>	<b>Governmental</b>
Statement of Financial Position	Balance Sheet	Statement of Net Assets
Statement of Activities and Changes in Net Assets <sup>1</sup>	Income Statement	Statement of Activities
Statement of Cash Flows	Statement of Cash Flows	Statement of Cash Flows (Note: This statement is required only under certain circumstances.)

Through ASBCS Online, the Board has provided online public access to the audit reporting packages of Board-sponsored charter holders. Information about how to access the annual audit reporting packages through ASBCS Online is available on the [Board’s website](#).

### Evaluation and Intervention

The established targets are used to determine whether the charter holder is meeting each measure based on the available existing data. The evaluation is completed annually using the charter holder’s most recent audit reporting package and a determination is made as to whether the charter holder met the Board’s financial performance standard for the audited fiscal year and whether the charter holder met the Board’s financial performance expectations. A charter holder that does not meet the Board’s financial performance expectations may be required to submit a financial performance response.

#### Meets the Board’s Financial Performance Standard

To meet the financial performance standard, the charter holder must receive no “Falls Far Below Standard” ratings and no more than one “Does Not Meet Standard” rating using the most recent

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<sup>1</sup> This statement may also be referred to as the “statement of activities”.

annual audit. A charter holder that receives two or more “Does Not Meet Standard”, one or more “Falls Far Below Standard”, or both based on the charter holder’s most recent audit reporting package does not meet the Board’s financial performance standard.<sup>2</sup>

Meets the Board’s Financial Performance Expectations

As shown in the table below, a charter holder’s financial performance for the most recent audited fiscal year and the prior audited fiscal year are used to determine whether the charter holder meets the Board’s financial performance expectations.

Previous Audit	Most Recent Audit	Meets Board’s Financial Performance Expectations?
<b>MEETS</b> financial performance standard	<b>MEETS</b> financial performance standard	<b>Yes</b>
<b>DOES NOT MEET</b> financial performance standard	<b>MEETS</b> financial performance standard	<b>Yes</b>
<b>MEETS</b> financial performance standard	<b>DOES NOT MEET</b> financial performance standard; <b>no measure receives “Falls Far Below Standard”</b>	<b>Yes</b>
<b>MEETS</b> financial performance standard	<b>DOES NOT MEET</b> financial performance standard; <b>1 or more measures receive “Falls Far Below Standard”</b>	<b>No</b>
<b>DOES NOT MEET</b> financial performance standard	<b>DOES NOT MEET</b> financial performance standard	<b>No</b>

Financial Performance Dashboard

A charter holder’s financial performance is represented in a dashboard format, which summarizes the charter holder’s performance on each measure. The financial performance dashboard (“dashboard”) reflects financial performance for the two most recent audited years, identifies whether the performance meets the Board’s expectations, and becomes publicly available through ASBCS Online after the audit is reviewed and the financial data entered by

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<sup>2</sup> In those instances where the Board receives financial statements that cover multiple and different charter holder entities, the charter holder’s performance will be evaluated under the financial framework using the charter holder specific financial information and the financial information for the consolidated/combined entity. Failure of the individual charter holder or the consolidated/combined entity to meet the Board’s financial performance expectations will result in the charter holder being required to submit a financial performance response.

Board staff.<sup>3</sup> Information about how to access and interpret the dashboards is available on the [Board's website](#).

#### Financial Eligibility for Expansion Requests

A charter holder is eligible to submit or, as applicable, to be the receiving party in the expansion requests identified below if all of the following are true:

1. A dashboard for the charter holder is available through ASBCS Online<sup>4</sup>.
2. The charter holder has no measure rated "Falls Far Below Standard" for the most recent fiscal year presented on the charter holder's dashboard.
3. 75 percent or more of all Associated Charters (defined below) 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.
4. The charter holder meets the academic and operational eligibility requirements.

Expansion requests include:

- Adding a new charter school that is currently not in operation under an existing charter contract
- Increasing the number of students the charter holder may serve at its school(s)
- Adding or changing to an Arizona Online Instruction (AOI) program of instruction
- Increasing the grade levels the charter holder is approved to serve
- Replicating an existing charter
- Transferring a charter school from an existing charter contract to its own charter contract<sup>5</sup>
- Transferring a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard<sup>6</sup>

For eligibility determination purposes, an Associated Charter is:

- A charter operated by a charter holder that contracts with the same education service provider.
- A charter operated by the same charter holder.
- A charter operated by a charter holder with at least 50 percent of the officers, directors, members or partners in common, as reflected in the charter contract.

An Associated Charter may be excluded if the Associated Charter is in its first year of operation and has not yet submitted its first audit reporting package to the Board.

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<sup>3</sup> In those instances where the Board receives financial statements that cover multiple and different charter holder entities, the charter holder's dashboard will include both the charter holder's financial performance and the financial performance of the consolidated/combined entity. (See also footnote 2.)

<sup>4</sup> The Board must have received the charter holder's first audit reporting package for the charter holder to be eligible to submit an expansion request. If the audit reporting package has been submitted but a dashboard is not available through ASBCS Online, please contact your Education Program Manager.

<sup>5</sup> The eligibility requirements apply whether the charter school is being transferred to its own charter contract that will be held by a charter holder with the same name or with a different name as the existing charter holder.

<sup>6</sup> For these requests, only the financial performance of the receiving charter holder is considered when determining eligibility.

If during the processing of one of the expansion requests identified above the Board receives the next audit reporting package for the charter holder, Associated Charter(s) or both, then Board staff will update the applicable dashboard(s) and reevaluate the charter holder's eligibility based on the most recent audit reporting package(s). For a charter holder determined to no longer be financially eligible, Board staff will notify the charter holder and close the request.

#### Review of Charter Holders' Financial Performance

A charter holder's financial performance will be considered by the Board at the following times:<sup>7</sup>

- When considering a charter contract renewal request submitted by the charter holder
- During five-year interval review
- Upon receipt of information that a charter school operated by the charter holder has been assigned a letter grade of "F" under the state accountability system
- If a charter school operated by a charter holder has failed to meet the Board's academic performance standard for three consecutive years
- Addition of a new school that is currently not in operation under an existing charter contract<sup>8</sup>
- Increase in the number of students the charter holder may serve at its school(s)<sup>8</sup>
- Addition of or change to an AOI program of instruction<sup>8</sup>
- Increase in the grade levels the charter holder is approved to serve<sup>8</sup>
- Replication of an existing charter<sup>8</sup>
- Transfer of a charter school from an existing charter contract to its own charter contract held by a charter holder with a different name than the existing charter holder<sup>8</sup>
- Transfer of a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard<sup>8</sup>
- Transfer of the charter contract from another sponsor to the Board
- When the Board makes decisions related to a charter holder's academic performance, a charter holder's compliance with its charter and state and federal laws, or when a new charter application package is submitted by an officer, director, partner, member or charter representative of the charter holder<sup>9</sup>

#### Financial Performance Response

A charter holder's financial performance will be used by the Board during the term of the charter:

- To stipulate the conditions which waive the charter holder from any submission requirements related to its financial operations.
- To stipulate the conditions which require the charter holder to submit additional information or clarification that will be used to inform the Board's decision-making.

A charter holder that meets the Board's financial performance expectations will be waived from submitting a financial performance response at the times identified in the "Review of Charter

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<sup>7</sup> At the time of consideration by the Board, the most current audited financial information will be provided.

<sup>8</sup> The Board has established financial eligibility criteria for this request (see "Financial Eligibility for Expansion Requests" section).

<sup>9</sup> In these situations, a charter holder will be able to address its financial performance at the Board meeting, but an opportunity will not be built in to the process for the charter holder to provide a written response in advance of the meeting.

Holders' Financial Performance" section and in Appendix B. A charter holder that does not meet the Board's financial performance expectations at the times identified in the "Review of Charter Holders' Financial Performance" section and in Appendix B will be required to submit a financial performance response if, as applicable, the charter holder meets the eligibility requirements identified in the "Financial Eligibility for Expansion Requests" section. For more information regarding the financial performance response, please see Appendix C.

For requests involving the transfer of a charter school or charter contract from a current charter holder to a charter holder with a different dashboard, both the current charter holder and the eligible receiving charter holder must meet the Board's financial performance expectations to be waived from submitting a financial performance response. If the receiving charter holder meets the eligibility requirements, but one or both charter holders do not meet the Board's financial performance expectations, then the charter holder(s) that does not meet the Board's financial performance expectations will be required to submit a financial performance response.

If only one year of financial performance is available, a charter holder seeking to submit an expansion request must meet the Board's financial performance standard in order to be waived from submitting a financial performance response.

## MEASURES IN DETAIL

This section describes each of the measures included in the financial framework. A charter holder's financial performance is evaluated annually using the charter holder's most recent audit reporting package. It is important to note that the financial framework excludes measures of how a charter holder manages and expends its funds as the financial framework is not designed to evaluate a charter holder's spending decisions. For example, there are no measures that address what portion of the costs are for direct instruction; rather the measures focus on the overall expenses versus the offsetting revenues. The financial framework analyzes the financial performance of a charter holder, not its processes for managing that performance.

### 1a. Going Concern – Near-Term Indicator

*Definition: Going concern is the idea that the charter holder will continue to engage in its activities for the foreseeable future.*

Overview: Auditing standards require an auditor to evaluate an organization's ability to continue operating for the next year. If the auditor has substantial doubt about whether the organization will operate for at least the next year, then the independent auditor's report would include a paragraph explaining this concern and information, including management's plans, would be disclosed in the notes to the audited financial statements. The auditor's consideration of management's plans may alleviate the "substantial doubt" about the organization's ability to continue operating. In those instances, the auditor may disclose in the notes to the audited financial statements the conditions and events that initially caused the auditor to believe there was substantial doubt, but wouldn't include a paragraph in the independent auditor's report.

Source of Data: Independent Auditor's Report on the financial statements and the notes to the audited financial statements.

**1a. Going Concern**

**Meets Standard:**

The most recent audit reporting package does not include explanatory paragraph in Independent Auditor's Report or disclosure in the notes to the financial statements

**Does Not Meet Standard:**

No "Does Not Meet Standard" target established for this measure

**Falls Far Below Standard (in one of two ways):**

Independent Auditor's Report for the most recent audit reporting package includes an explanatory paragraph and disclosure is included in notes to the financial statements

or

Disclosure included in notes to the financial statements for the most recent audit reporting package, but no modification to Independent Auditor's Report

**Basis for Target Level:** If the audit reporting package includes a going concern disclosure in the independent auditor's report or the notes to the audited financial statements, then the independent auditor has concerns about the charter holder's viability. A charter holder in this situation may have difficulty meeting operational and academic obligations required under law and its charter contract.

**1b. Unrestricted Days Liquidity – Near-Term Indicator**

**Definition:** *The unrestricted days liquidity measure indicates how many days a charter holder can pay its expenses without an influx of cash.*

**Overview:** Unexpected costs arise when operating a charter school. Additionally, circumstances outside of the charter holder's control may impact the amount and timing of funding received from the State and other sources. Therefore, maintaining a reserve is a common best practice. The unrestricted days liquidity measure translates into a more readily understandable number a charter holder's unrestricted cash balance and available balances from other sources of liquidity disclosed in the annual audit reporting package, including lines of credit. Please note that the Board will not round numbers when determining a charter holder's financial performance on this measure.

A.R.S. §15-977 limits how Classroom Site Fund (CSF) monies may be spent. Therefore, if a charter holder does not spend all of the CSF monies it received during the fiscal year, then at the end of the year, the charter holder needs to have enough cash in the bank to cover the unspent portion from current and prior years ("carryover"). Since the CSF carryover monies may only be used for the purposes specified in statute, any year-end CSF cash carryover balance will be removed when determining the charter holder's unrestricted cash.

**Source of Data:** Audited statement of financial position, audited statement of activities and changes in net assets, notes to the audited financial statements, and compliance questionnaire<sup>10</sup>.

<sup>10</sup> For fiscal years prior to and including 2011, the year-end Classroom Site Fund cash carryover was not required to be disclosed in the audit reporting package. Beginning with fiscal year 2012, the year-end CSF cash carryover must, at a minimum, be disclosed in the Classroom Site Fund section of the applicable compliance questionnaire.

**1b. Unrestricted Days Liquidity: (Unrestricted Cash + Other Sources of Liquidity\*) divided by (Total Expenses/365)**

\* "Other Sources of Liquidity" is defined as available balances from any sources of liquidity other than cash that are disclosed in the annual audit reporting package and may include, but not be limited to, lines of credit.

[Note: The Classroom Site Fund cash carryover balance at June 30<sup>th</sup> would be considered restricted cash and, therefore, would be removed as part of identifying a charter holder's unrestricted cash as of June 30<sup>th</sup>.]

**Meets Standard:**

30 or more days liquidity

**Does Not Meet Standard:**

At least 15 days liquidity but fewer than 30 days liquidity

**Falls Far Below Standard:**

Fewer than 15 days liquidity

Basis for Target Level: Having access to cash or other sources of liquidity equaling at least 30 days of operating expenses is a standard minimum for any organization. In the event of unforeseen circumstances (e.g., unexpected costs, changes to State funding), 30 days of cash or other liquidity would help the charter holder make payroll, pay the rent, and keep the charter school's doors open until the charter holder receives its next State equalization payment or until other funding is secured. If a charter holder has fewer than 15 days of cash or other liquidity, should unforeseen circumstances arise, the charter holder may have difficulty making its next payroll and meeting other obligations before receiving its next influx of cash.

**1c. Default – Near-Term Indicator**

Definition: Default indicates that a lender has issued a formal notice of loan default to the charter holder.

Overview: In addition to making timely payments, financial institutions may include other terms and requirements (sometimes referred to as "covenants") in their agreements with charter holders. Individuals who make loans to charter holders may establish agreements with similar requirements. Failure to make timely payments or comply with debt covenants does not automatically result in a formal notice of default being issued by the lender and therefore would not be considered a "material" default. However, in those cases where formal notice of default has been issued by the lender, this measure will be rated "Falls Far Below Standard".

Source of Data: Notes to the audited financial statements.

**1c. Default: Defined as in True Default on Obligations**

**Meets Standard:**

Charter holder is not in default on material loans

**Does Not Meet Standard:**

No "Does Not Meet Standard" target established for this measure

**Falls Far Below Standard:**

Charter holder is in default on material loans

Basis for Target Level: A charter holder that has received formal notice of default from a lender may be at higher risk of financial distress and may have difficulty meeting its operational and academic obligations required under law and the charter contract.

**2a. Net Income – Sustainability Indicator**

Definition: Net income, which equals total revenues less total expenses, looks at whether or not a charter holder is operating within its available resources.

Overview: The net income measure identifies whether a charter holder operates at a surplus (total revenues exceed total expenses) or a deficit (total expenses exceed total revenues). It should be noted that a charter holder may make a strategic choice to operate at a deficit for a year. Continued deficits for a sustained period of time could adversely affect the charter holder's ability to meet its obligations.

Source of Data: Audited statement of activities and changes in net assets.

**2a. Net Income: Total Revenues less Total Expenses**

**Meets Standard:**

Net income is greater than or equal to \$1

**Does Not Meet Standard:**

Net income is zero or negative

**Falls Far Below Standard:**

No "Falls Far Below Standard" target established for this measure

Basis for Target Level: Positive net income contributes to the charter holder's reserve. Having a reserve gives the charter holder more flexibility in responding as situations arise that are outside of the charter holder's control. The targets established for this measure focus on whether the charter holder operated during the fiscal year with a surplus or deficit rather than the magnitude of the surplus or deficit.

**2b. Cash Flow – Sustainability Indicator**

Definition: The cash flow measure shows the change in a charter holder's cash balance from one fiscal year to another.

**Overview:** This measure is similar to the unrestricted days liquidity measure, but looks at longer term financial stability versus near-term financial health. Since cash flow fluctuations from year-to-year can have a long-term impact on the charter holder’s financial health, this measure assesses three-year cumulative cash flow. For information regarding the underlying factors that have contributed to the annual cash flow fluctuations experienced by the charter holder, please review the audited statement of cash flows. If the Board has received only one or two audit reporting packages at the time of review, the charter holder’s financial performance under this measure will be evaluated using the information available.

For each fiscal year, the cash flow equals the current year’s total cash minus the prior year’s total cash. Adding the cash flow for each of the three fiscal years together will provide the three-year aggregate cash flow. The “Cash Flow Calculation Example” textbox found on this page shows how to calculate the cash flow measure using fiscal year 2012 as the most recent audited fiscal year available.

<b>Cash Flow Calculation Example</b>
<p>Calculate the annual cash flow:            FY2012 Cash Flow = FY2012 Total Cash – FY2011 Total Cash            FY2011 Cash Flow = FY2011 Total Cash – FY2010 Total Cash            FY2010 Cash Flow = FY2010 Total Cash – FY2009 Total Cash</p> <p>Add together the FY2012 Cash Flow, FY2011 Cash Flow, and FY2010 Cash Flow to determine the three-year cumulative cash flow.</p>

**Source of Data:** Audited statement of financial position.

<b>2b. Cash Flow: One-Year Cash Flow = Current Year Total Cash less Prior Year Total Cash</b>
<p><b>Meets Standard:</b></p> <p><input type="checkbox"/> Three-year cumulative cash flow is positive</p>
<p><b>Does Not Meet Standard:</b></p> <p><input type="checkbox"/> Three-year cumulative cash flow is negative</p>
<p><b>Falls Far Below Standard:</b></p> <p>No “Falls Far Below Standard” target established for this measure</p>

**Basis for Target Level:** Cash flow should be greater than zero as a positive cash flow over time generally indicates increasing financial health and sustainability of the charter holder.

**2c. Fixed Charge Coverage Ratio – Sustainability Indicator**

**Definition:** The fixed charge coverage ratio looks at the amount of cushion in the charter holder’s cash flow to cover fixed obligations or charges.

**Overview:** Fixed charges represent the charter holder’s fixed financial commitments. These charges occur regardless of changes in revenue or other circumstances that may affect the charter holder’s financial situation, which is why the term “fixed” is used. For this ratio, fixed charges would include lease payments, loan payments, and interest.

The ratio includes interest and lease expense in both the numerator and denominator even though it appears that in the end they would cancel each other out. This has been done for two reasons. First, because the ratio components are more encompassing, it helps in determining the true cushion in cash flow to cover fixed obligations. Second, if the ratio’s numerator

included only change in net assets, depreciation and amortization and the denominator was unchanged, the ratio would solve for a charter holder's ability to meet lease and interest expense payments after it has already paid lease and interest expense, because lease and interest expense have already been deducted to arrive at the change in net assets.

The individual ratio components are described in more detail below:

- *Change in Net Assets* – The change in net assets results from revenues, expenses and the release of assets from restrictions. For for-profit charter holders, the ratio would use net income after tax instead of change in net assets.
- *Depreciation* – Depreciation is the allocation of a fixed asset's costs over the useful life of the asset and involves the movement of costs from the statement of financial position to the statement of activities and changes in net assets. Fixed assets include items such as buildings, furnishings and vehicles. Depreciation is known as a noncash expense. Although charter holders are required to record this expense in their accounting records, depreciation does not use cash. Therefore, depreciation is added back into the ratio's numerator.
- *Amortization* – Amortization is similar to depreciation but it involves the allocation of an intangible asset's costs over a period of time. Intangible assets include items such as bond issuance costs. Although charter holders are required to record this expense, as applicable, in their accounting records, amortization does not use cash. Therefore, amortization is added back into the ratio's numerator.
- *Interest Expense* – Interest expense reflects the charter holder's cost of borrowing for the fiscal year. As a result of the accounting method charter holders are required to use, interest expense may not equal the amount of interest paid to lenders. Interest paid reflects the cash paid to lenders for interest and may be higher or lower than the interest expense for the fiscal year. In calculating the ratio, the dollar amount used for "interest expense" would also be used for "interest".
- *Lease Expense* – Lease expense includes facility leases and operating leases where at the end of the lease ownership of the item does not transfer to the charter holder.
- *Current Portion of Long-Term Debt and Capital Leases (CPLTDCL)* – The CPLTDCL includes the portion of debt that must be paid by the charter holder within the next fiscal year. The "current portion of long-term debt" would include bond/loan payments for charter holders that own their facilities, as well as payments related to other long-term loans obtained by the charter holder and capital leases.

Please note that the Board will not round numbers when determining a charter holder's financial performance on this measure.

Source of Data:

- *Changes in Net Assets* – Audited statement of activities and changes in net assets.
- *Depreciation and Amortization* – Audited statement of cash flows and/or notes to the audited financial statements.
- *Interest Expense* – Notes to the audited financial statements. Interest expense may also be available on the audited statement of activities and changes in net assets, if the statement includes sufficient detail, or the statement of functional expense, if available. If interest expense cannot be determined, interest paid may be used and is found on the statement of cash flows.

- Lease Expense – Notes to the audited financial statements.
- Current Portion of Long-Term Debt and Capital Leases – Audited statement of financial position.

<p><b>2c. Fixed Charge Coverage Ratio: (Change in Net Assets* + Depreciation + Amortization + Interest Expense + Lease Expense)/(Current Portion of Long-Term Debt and Capital Leases + Interest + Lease Expense)</b></p> <p><i>* Net Income After Tax would be used when calculating the ratio for for-profit charter holders.</i></p>
<p><b>Meets Standard:</b></p> <p><input type="checkbox"/> Fixed Charge Coverage Ratio is equal to or exceeds 1.10</p>
<p><b>Does Not Meet Standard:</b></p> <p><input type="checkbox"/> Fixed Charge Coverage Ratio is less than 1.10</p>
<p><b>Falls Far Below Standard:</b></p> <p>No “Falls Far Below Standard” target established for this measure</p>

Basis for Target Level: Financially healthy entities have a cushion in cash flow coverage. The 1.1 used in the “meets” target is typical for non-profit organizations. Since capitalized expenses, such as buses and equipment, are not included in the statement of activities and changes in net assets, they need to be covered by the cushion in cash flow or through outside financing. Another benefit of excess cash flow is that a charter holder can build up cash and equity to purchase larger assets, such as a building. Since banks will only finance up to a certain amount of the building, the difference needs to be funded by the charter holder. The only way to build up cash/equity is through retention of the earnings cushion or from an injection of equity from an outside source. Charter holders that operate where fixed charges are only covered at 1:1 will not have the same flexibility as those that generate cash flow in excess of that level.

## Appendix A

# Financial Performance Framework

**Board Strategic Plan Objective:** All charter holders in the portfolio are viable organizations with strong fiscal management practices.

## 1. NEAR-TERM INDICATORS

### 1a. Going Concern

**Meets Standard:**

The most recent audit reporting package does not include explanatory paragraph in Independent Auditor's Report or disclosure in the notes to the financial statements

**Does Not Meet Standard:**

No "Does Not Meet Standard" target established for this measure

**Falls Far Below Standard (in one of two ways):**

Independent Auditor's Report for the most recent audit reporting package includes an explanatory paragraph and disclosure is included in notes to the financial statements

or

Disclosure included in notes to the financial statements for the most recent audit reporting package, but no modification to Independent Auditor's Report

### 1b. Unrestricted Days Liquidity: $(\text{Unrestricted Cash} + \text{Other Sources of Liquidity}^*) \text{ divided by } (\text{Total Expenses}/365)$

\* "Other Sources of Liquidity" is defined as available balances from any sources of liquidity other than cash that are disclosed in the annual audit reporting package and may include, but not be limited to, lines of credit.

[Note: The Classroom Site Fund cash carryover balance at June 30<sup>th</sup> would be considered restricted cash and, therefore, would be removed as part of identifying a charter holder's unrestricted cash as of June 30<sup>th</sup>.]

**Meets Standard:**

30 or more days liquidity

**Does Not Meet Standard:**

At least 15 days liquidity but fewer than 30 days liquidity

**Falls Far Below Standard:**

Fewer than 15 days liquidity

### 1c. Default: Defined as in True Default on Obligations

**Meets Standard:**

Charter holder is not in default on material loans

**Does Not Meet Standard:**

No "Does Not Meet Standard" target established for this measure

**Falls Far Below Standard:**

Charter holder is in default on material loans

## 2. SUSTAINABILITY INDICATORS

### 2a. Net Income: Total Revenues less Total Expenses

**Meets Standard:**

Net income is greater than or equal to \$1

**Does Not Meet Standard:**

Net income is zero or negative

**Falls Far Below Standard:**

No "Falls Far Below Standard" target established for this measure

### 2b. Cash Flow: One-Year Cash Flow = Current Year Total Cash less Prior Year Total Cash

**Meets Standard:**

Three-year cumulative cash flow is positive

**Does Not Meet Standard:**

Three-year cumulative cash flow is negative

**Falls Far Below Standard:**

No "Falls Far Below Standard" target established for this measure

### 2c. Fixed Charge Coverage Ratio: $(\text{Change in Net Assets}^* + \text{Depreciation} + \text{Amortization} + \text{Interest Expense} + \text{Lease Expense}) / (\text{Current Portion of Long-Term Debt and Capital Leases} + \text{Interest} + \text{Lease Expense})$

\* Net Income After Tax would be used when calculating the ratio for for-profit charter holders.

**Meets Standard:**

Fixed Charge Coverage Ratio is equal to or exceeds 1.10

**Does Not Meet Standard:**

Fixed Charge Coverage Ratio is less than 1.10

**Falls Far Below Standard:**

No "Falls Far Below Standard" target established for this measure

**Appendix B**

**Financial Expectations Not Met: Charter Holder Action & Board Consideration**

For charter holders that do not meet the Board’s financial performance expectations but do meet the expansion eligibility requirements, as applicable, the table below specifies by monitoring, expansion or transfer area what the charter holder must do and how that information will be used by the Board in its decision-making. This table in no way precludes the Board from considering a charter holder’s financial performance or from assigning a financial performance response at other times when the Board makes decisions, for example, related to a charter holder’s academic performance or a charter holder’s compliance with its charter and state and federal laws.

In accordance with A.A.C. R7-5-509, if the process the charter holder is in requires consideration at a Board meeting and at least one measure was rated as “Not Acceptable” in Board staff’s evaluation conducted under Appendix C, Board staff shall provide the charter holder with the opportunity to supplement the financial performance response based on the feedback included in the evaluation.

	<b>Charter Holder Action</b>	<b>Board Consideration</b>
<b>Academic Performance Framework (Monitoring)</b>	<p>If a charter school operated by the charter holder has failed to meet the Board’s academic performance standard for three consecutive years <u>and</u> the charter holder does not meet the Board’s financial performance expectations, the charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard” or a “Falls Far Below Standard”. For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder’s financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s academic performance. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and using information from the charter holder’s response and related documents.</p> <p>The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Arizona Online Instruction (AOI) – Addition of or change to an AOI program of instruction (Expansion)</b>	<p>If the charter holder meets the eligibility requirements specified on pages 6 and 7, the charter holder must submit:</p> <ul style="list-style-type: none"> <li>• A financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard”. For additional information regarding the financial performance response, please see Appendix C.</li> <li>• A start-up budget detailing all expenditures that cover the start-up plans.</li> </ul>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. Additionally, Board staff will review the start-up and operational budgets and assumptions. The charter holder’s financial performance response (supplemented, as applicable), start-up budget, operational budget and assumptions, as well as the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s request. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal</p>

	<b>Charter Holder Action</b>	<b>Board Consideration</b>
	<ul style="list-style-type: none"> <li>• A first-year operational budget detailing all expenditures that cover the first year of operation.</li> <li>• For each budget, budget assumptions for each line item in the budget, including a description of how revenues cover expenses. If the revenues do not cover expenses, describe how this will not negatively affect the charter holder's overall financial performance.</li> </ul>	<p>years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder's financial performance, focusing on those measures where the charter holder failed to meet the Board's target and using information from the charter holder's response and related documents.</p> <p>The charter holder's financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Enrollment Cap – Increase in the number of students the charter holder may serve at its school(s) (Expansion)</b>	<p>If the charter holder meets the eligibility requirements specified on pages 6 and 7, the charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a "Does Not Meet Standard". For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder's financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder's request. Additionally, a table showing the charter holder's financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder's financial performance, focusing on those measures where the charter holder failed to meet the Board's target and using information from the charter holder's response and related documents.</p> <p>The charter holder's financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>"F" Letter Grade – A charter school operated by the charter holder has been assigned a letter grade of "F" under the state accountability system (Monitoring)</b>	<p>If a charter school operated by the charter holder has been assigned a letter grade of "F" under the state accountability system <u>and</u> the charter holder does not meet the Board's financial performance expectations, the charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a "Does Not Meet Standard" or a "Falls Far Below Standard". For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder's financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers whether to revoke or restore the charter of the failing school. Additionally, a table showing the charter holder's financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder's financial performance, focusing on those measures where the charter holder failed to meet the Board's target and using information</p>

	<b>Charter Holder Action</b>	<b>Board Consideration</b>
		<p>from the charter holder’s response and related documents.</p> <p>The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Five-Year Interval Review (Monitoring)</b>	<p>The charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard” or a “Falls Far Below Standard”. For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the charter holder’s financial performance response and evaluate it in accordance with Appendix C. A copy of the completed evaluation instrument will be placed in the charter holder’s DMS in ASBCS Online.</p> <p style="text-align: center;"><b>OR</b></p> <p>The Board may consider the charter holder’s financial performance at the time of the interval review. In these instances, Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder’s financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s performance at the time of the interval review. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and using information from the charter holder’s response and related documents. The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Grade Levels – Increase in the grade levels the charter holder is approved to serve (Expansion)</b>	<p>If the charter holder meets the eligibility requirements specified on pages 6 and 7, the charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard”. For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder’s financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s request. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and</p>

	<b>Charter Holder Action</b>	<b>Board Consideration</b>
		<p>using information from the charter holder’s response and related documents.</p> <p>The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>New School – Addition of a new school that is currently not in operation under an existing charter contract<sup>1</sup> (Expansion)</b>	<p>If the charter holder meets the eligibility requirements specified on pages 6 and 7, the charter holder must submit:</p> <ul style="list-style-type: none"> <li>• A financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard”. For additional information regarding the financial performance response, please see Appendix C.</li> <li>• A start-up budget detailing all expenditures that cover the start-up plans.</li> <li>• A first-year operational budget detailing all expenditures that cover the first year of operation.</li> <li>• For each budget, budget assumptions for each line item in the budget, including a description of how revenues cover expenses. If the revenues do not cover expenses, describe how this will not negatively affect the charter holder’s overall financial performance.</li> </ul>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. Additionally, Board staff will review the start-up and operational budgets and assumptions. The charter holder’s financial performance response (supplemented, as applicable), start-up budget, operational budget and assumptions, as well as the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s request. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and using information from the charter holder’s response and related documents.</p> <p>The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Renewal (Monitoring)</b>	<p>The charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard” or a “Falls Far Below Standard”. For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder’s financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s renewal application package. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and using information from the charter holder’s response and related documents.</p>

<sup>1</sup> See also “Transfer of a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard.

	Charter Holder Action	Board Consideration
		If the charter holder is not meeting the Board’s academic performance expectations and/or is not complying with statutory and contractual requirements, the charter holder’s financial performance may be considered as an aggravating factor by the Board in its decision about whether or not to renew the charter contract.
<b>Replication (Expansion)</b>	<p>If the charter holder meets the eligibility requirements specified on pages 6 and 7, the charter holder must submit:</p> <ul style="list-style-type: none"> <li>• A financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard”. For additional information regarding the financial performance response, please see Appendix C.</li> <li>• A start-up budget to cover expenses projected to occur during the start-up period (until August 1 of the year the school opens).</li> <li>• A three-year operational budget to cover expenses projected to occur during the first three years of operation.</li> <li>• For each budget, a separate document describing assumptions for each line item, to include disaggregated costs, and basis for determining those costs. Demonstrate through the assumptions that the amounts listed are viable and adequate for the start-up period and first three years of operation.</li> </ul> <p>The templates for the replication start-up budget and three-year operational budget are available on the <a href="#">Board’s website</a>.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. Additionally, Board staff will review the start-up and operational budgets and assumptions. The charter holder’s financial performance response (supplemented as applicable), start-up budget, operational budget and assumptions, as well as the final evaluation instrument completed by staff will be provided to the Board when the Board considers the replication application package. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and using information from the charter holder’s response and related documents.</p> <p>The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Transfer of a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard (Expansion)</b>	<p>If the receiving charter holder meets the eligibility requirements specified on pages 6 and 7, but the current charter holder, receiving charter holder or both do not meet the Board’s financial performance expectations, please see below.</p> <p><u>Receiving Charter Holder Does Not Meet</u> The receiving charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard”. For additional</p>	<p>Board staff will review the financial performance responses and evaluate them in accordance with Appendix C. The charter holders’ financial performance responses (supplemented, as applicable) and the final evaluation instruments completed by staff will be provided to the Board when the Board considers the charter holders’ request. Additionally, tables showing the charter holders’ financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff</p>

	<b>Charter Holder Action</b>	<b>Board Consideration</b>
	<p>information regarding the financial performance response, please see Appendix C.</p> <p><u>Current Charter Holder Does Not Meet</u> The current charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard” or a “Falls Far Below Standard”. For additional information regarding the financial performance response, please see Appendix C.</p>	<p>of the charter holders’ financial performance, focusing on those measures where the charter holders failed to meet the Board’s target and using information from the charter holders’ responses and related documents.</p> <p>The charter holders’ financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Transfer of a charter school from an existing charter contract to its own charter contract held by a charter holder with a different name than the existing charter holder (Expansion)</b>	<p>If the charter holder meets the eligibility requirements specified on pages 6 and 7, the charter holder must submit a financial performance response that addresses each measure for the most recent audited fiscal year presented in the dashboard where the charter holder received a “Does Not Meet Standard”. For additional information regarding the financial performance response, please see Appendix C.</p>	<p>Board staff will review the financial performance response and evaluate it in accordance with Appendix C. The charter holder’s financial performance response (supplemented, as applicable) and the final evaluation instrument completed by staff will be provided to the Board when the Board considers the charter holder’s request. Additionally, a table showing the charter holder’s financial data and financial performance for the last three audited fiscal years (if three years are available) will be included in the staff report provided to the Board, as well as an analysis prepared by staff of the charter holder’s financial performance, focusing on those measures where the charter holder failed to meet the Board’s target and using information from the charter holder’s response and related documents.</p> <p>The charter holder’s financial performance may be considered by the Board as an aggravating factor in its decision-making.</p>
<b>Transfer of the Charter Contract from Another Sponsor to the Board (Transfer)</b>	<p><i>Charter holders that want to transfer their charter contracts to the Board should contact the Board at (602) 364-3080 for the requirements.</i></p>	<p>If the charter holder is not meeting the Board’s academic performance expectations and/or is not complying with statutory and contractual requirements, the charter holder’s financial performance may be considered as an aggravating factor by the Board in its decision about whether or not to transfer the charter contract.</p>

## Appendix C

# Financial Performance Response & Evaluation

## Financial Performance Response

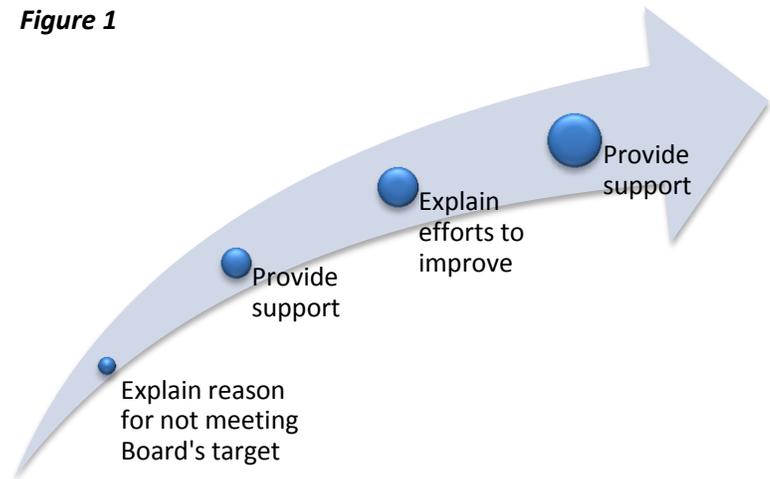
A charter holder that does not meet the Board’s financial performance expectations will be required to submit a financial performance response (“Response”) at specified times (see Appendix B). The Response provides the charter holder with the opportunity to explain its financial performance and efforts to improve.

### What Must Be Covered

Through the Response, the charter holder must answer three questions for each measure where the charter holder received a “Does Not Meet Standard” or “Falls Far Below Standard” for the **most recent audited fiscal year presented in the dashboard:**

1. Why did we not meet the measure’s target in the audited fiscal year?
2. What specifically have we done to improve our performance so that it’s possible to meet the measure’s target in the next fiscal year or a subsequent fiscal year?
3. What can we provide to support our explanations and analysis?

Figure 1



### Where to Begin

As counterintuitive as it may seem, the first step in preparing the Response shouldn’t be to pore over the financial records, but rather to step back and identify what changed or happened with the charter holder from the prior year to the most recent audited fiscal year presented in the dashboard. The accounting records and the resulting financial statements are not the cause of the financial performance. Instead, they show the effect of decisions made by or for the charter holder during the fiscal year. Once you know what happened, then you can go to the financial statements and records to see how what happened affected the charter holder’s financial performance in the most recent audited fiscal year presented in the dashboard and to identify improvement in the next or subsequent fiscal year.

### Show and Tell

Adopt a “show us, don’t just tell us” approach to your Response. While Figure 1 illustrates the Response’s necessary components, it should not be interpreted as requiring the Response to include equal parts explanation (“tell us”) and support (“show us”). Generally, the easiest and best way to explain why the measure’s target was not met and the efforts to improve is to show us through accounting system or management reports, interim financial statements, projections, forecasts, or supplemental worksheets.<sup>1</sup> The narrative is then used to briefly provide the context and to point us to the relevant portions of the supporting documentation. Please see the [Board’s website](#) for additional guidance and technical assistance on preparing a Response.

## Financial Performance Response Evaluation

Board staff evaluates each submitted Response. For a Response to be evaluated as “Acceptable”, the Response must include the four components identified in Figure 1 for each applicable measure.

<sup>1</sup> Board staff has access to the annual audit reporting packages, publicly available Arizona Department of Education (ADE) attendance and state funding reports, and the charter holders’ budgets submitted to ADE. Therefore, these documents may be referenced in, but do not need to be provided with, the Response.

## Appendix D

### Definition of Terms

**AUDIT** – A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities. The auditor obtains this evidential matter through inspection, observation, inquiries, and confirmations with third parties.

**AUDIT REPORTING PACKAGE** – The annual audit required by A.R.S. §15-914 includes several components, including the financial statements, a report on internal control and compliance required under auditing standards, the applicable compliance questionnaire(s), and the management letter, if one is issued by the audit firm. For a charter holder that expends more than \$500,000 in federal awards (e.g., federal grants), the audit reporting package submitted would include additional information and documents.

**COMPLIANCE QUESTIONNAIRE** – As part of the annual audit required by A.R.S. §15-914, the auditor must complete the appropriate compliance questionnaire(s). The compliance questionnaires assist the Board in determining whether a charter holder is complying with certain legal and contractual requirements. The Board currently issues three compliance questionnaires – the Legal Compliance Questionnaire, the USFRCS Compliance Questionnaire<sup>1</sup>, and the Procurement Compliance Questionnaire. For most charter holders, the Legal Compliance Questionnaire is the only compliance questionnaire that must be completed.

**FINANCIAL AUDIT** – An audit made by an independent external auditor for the purpose of issuing an audit opinion on the fair presentation of the financial statements in conformity with GAAP. Refer to AUDIT.

**FISCAL YEAR** – The twelve-month period that begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** – These are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative body on the application of GAAP for most charter holders is the Financial Accounting Standards Board.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS** – Sometimes referred to as disclosure notes, the notes follow immediately after the financial statements. In addition to summarizing certain accounting policies used by the charter holder, the financial statements may include information regarding leases the charter holder has entered into, loans the charter holder has received (sometimes referred to as “notes”) and its compliance with loan terms, and restrictions on the charter holder’s cash.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS** – This financial statement shows what made up the charter holder’s revenue and expenses for the fiscal year. Generally, revenue is shown by type and expenses are shown by program type (i.e., program services, management and general). This statement also shows whether a charter holder operated at a surplus (total revenues exceed total expenses) or a deficit (total expenses exceed total revenues), as well as the change in net assets. This statement is also referred to as the income statement (for-profit) or the statement of activities (governmental).

**STATEMENT OF CASH FLOWS** – This financial statement shows where the charter holder’s cash came from and how the cash was used during the fiscal year. It categorizes cash activity as resulting from operating, investing, and capital and related financing activities.

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<sup>1</sup> USFRCS stands for Uniform System of Financial Records for Charter Schools.

**STATEMENT OF FINANCIAL POSITION** – This financial statement shows the charter holder’s assets, liabilities, and net assets as of June 30<sup>th</sup>. Assets are what the charter holder owns, liabilities are what the charter holder owes, and net assets are the difference between the two. Net assets represent any surpluses (total assets exceed total liabilities) or deficits (total liabilities exceed total assets) that have accumulated since the charter holder was formed. This statement is also referred to as the balance sheet (for-profit) or the statement of net assets (governmental).

**STATEMENT OF FUNCTIONAL EXPENSE** – This financial statement shows a detailed breakdown of expenses by expense type and by program and supporting services. While not required for charter holder audits, some audit reporting packages received by the Board include this additional statement.

# Arizona State Board for Charter Schools

## Academic Performance Framework and Guidance

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As Revised on October 10, 2017

**Historical Note:**

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Revision effective June 13, 2016  
Board Approval Date: October 9, 2012; September 9, 2013; January 13, 2014; October 14, 2014, August 17, 2015,  
June 13, 2016, October 10, 2017  
Revised: November 26, 2012; September 9, 2013, January 13, 2014; October 14, 2014,  
August 17, 2015, June 13, 2016, October 10, 2017

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Support and funding for the development of the Arizona State Board for Charter Schools Performance Framework, which includes the Academic Framework, Operational Framework and Financial Framework, were provided by NACSA and through its Fund for Authorizing Quality.

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- Governor Brewer’s Office of Education Innovation
- Arizona Community Foundation
- Stand for Children
- Rodel Charitable Foundation of Arizona
- Arizona Virtual Academy



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# Academic Performance Framework Guidance

Charter schools may be established to provide a learning environment that will improve pupil achievement (A.R.S. § 15-181). As the authorizer or sponsor of charter schools, the State Board for Charter Schools must adopt a performance framework that includes the academic performance expectations of the charter school and the measurement of sufficient progress toward the academic performance expectations (A.R.S. § 15-183(R)).

Charter holders have the autonomy to select and implement programs of instruction that align with their philosophical and methodological ideology and operational structure consistent with state and federal law and the charter contract. The purpose of the Academic Performance Framework (“academic framework”) is to communicate the State Board for Charter Schools’ (“Board”) academic expectations for ensuring that all charter holders in its portfolio are providing a learning environment where measurable improvement in pupil achievement can be demonstrated.

In developing the academic framework, the Board remained conscious of its limited resources to implement the academic framework. The Board was also mindful of its commitment to maintaining current levels of data collection so as not to unnecessarily burden the charter holders with requirements to submit additional information for the purpose of evaluating the academic performance of the charter holder. The successful implementation of the academic framework relies on having access to data collected through the administration and evaluation of state assessments.

The academic framework is organized by indicators, measures, metrics and targets.

The academic framework focuses purposefully on quantitative academic outcomes as a basis for analysis to be used in high-stakes decisions. If educational processes are required by law, such elements are included in the Operational Performance Framework and further guidance on the reasoning for this indicator can be found in the Operational Performance Framework and Guidance.

## Minimum Academic Performance Expectations

The Academic Performance Framework is organized by indicators, measures, metrics, and targets.

### Indicators

The Academic Performance Framework includes two indicators, or general categories, to evaluate a charter holder's academic performance.

1. **State Accountability:** State Accountability is the default indicator used to evaluate the academic performance of all charter schools sponsored by the Board. This indicator includes the letter grade of each school operated by the charter holder as assigned through Arizona's A–F Letter Grade Accountability System. In addition, this indicator considers state designations for school improvement.
2. **School-Specific Academic Goals:** A charter holder that operates a school that serves a special population that does not have an achievement profile established by the State Board of Education for state accountability pursuant to A.R.S. § 15-241(H) may petition the Board to adopt unique, school-specific academic performance standards. Only charter schools that have been approved by the Board to use the substitute indicator of school-specific academic goals will be evaluated under this indicator.

### Measures

For each of the indicators, the academic framework utilizes measures to evaluate schools. The combination of measures, taken on the whole, provides the Board with a balanced scorecard of each school's performance over time. Multiple measures are used in the standards: A-F State Accountability Letter Grades, State designations for school improvement, and school-specific academic goals for charter holders approved to use the separate indicator for academic performance.

### Metrics

Metrics are the methods of evaluating a measure. In the development of the academic framework, the Board reviewed the available data to determine which metrics are appropriate for evaluating its charter schools.

### Targets and Rating Categories

For each of the measures, targets are set to rate the schools against the academic framework. The targets establish the levels of performance needed to place each school into the rating categories. There are five possible rating categories but due to the nature of the individual measures, not every measure will include all five ratings.

**Exceeds Standard:** The school’s performance on this measure exceeds the performance targets and shows exemplary performance.

**Above Standard:** The school’s performance on this measure is above the performance targets required to meet the Board’s standard.

**Meets Standard:** The school’s performance on this measure meets the Board’s minimum performance targets.

**Does Not Meet Standard:** The school’s performance on this measure does not meet the Board’s minimum performance targets.

**Falls Far Below Standard:** The school’s performance on this measure signals a significant academic risk. Performance for any measure receiving this rating means the charter school is performing far below the Board’s performance targets and on par with the lowest-performing schools in the state. If a charter holder operates a charter school that falls far below the standard, and the charter holder may be brought before the Board for disciplinary action.

## Indicators and Measures in Detail

Each of the indicators and measures is presented below. Included is an overview of each measure, methodological approaches, and factors considered in the development of specific targets.

### Indicator: State Accountability

#### A-F Letter Grade Accountability System

1a. Is the school meeting acceptable standards according to the state accountability system?	
<i>Exceeds Standard:</i>	<input type="checkbox"/> School received a letter grade of A from the state accountability system.
<i>Above Standard:</i>	<input type="checkbox"/> School received a letter grade of B from the state accountability system.
<i>Meets Standard:</i>	<input type="checkbox"/> School received a letter grade of C from the state accountability system.
<i>Does Not Meet Standard:</i>	<input type="checkbox"/> School received a letter grade of D from the state accountability system.
<i>Falls Far Below Standard:</i>	<input type="checkbox"/> School received a letter grade of F from the state accountability system.

#### Targets for A–F Letter Grade Accountability System

Targets for this measure were set taking into consideration alignment with the state grading system and the Board’s mission to improve public education in Arizona. Schools receiving an “A” grade are assessed in the academic framework as “exceeds standard,” while schools receiving an “F” grade are considered “falls far below standard.”

**Modifications for Alternative and Extremely Small Schools**

Subject to final adoption by the State Board of Education, the Department of Education is required to use appropriate achievement profiles to assess alternative schools and extremely small schools and may develop achievement profiles for Arizona Online Instruction schools and others pursuant to A.R.S. § 15-241(H)<sup>1</sup>

**State Designations for School Improvement**

	<b>1b. Is the school meeting performance expectations as set forth by state and federal accountability requirements?</b>
	<i>Meets Standard:</i> <input type="checkbox"/> Not identified for improvement.
	<i>Does Not Meet Standard:</i> <input type="checkbox"/> Identified for improvement and/or targeted support.
	<i>Falls Far Below Standard:</i> <input type="checkbox"/> Identified for improvement and/or comprehensive support.

**Targets for State Designations**

Targets for this measure were set taking into consideration Arizona’s plan for school performance under the provisions outlined in the Every Student Succeeds Act and A.R.S. § 15-241.02. The Department of Education must annually measure proficiency rates, subgroup performance, graduation rates, and other academic indicators to identify all Arizona public schools required to implement targeted, comprehensive, and other supports necessary to improve school performance.

**Indicator: School-Specific Academic Goals**

A charter holder that operates a school that serves a special population that does not have an achievement profile established by the Department of Education and adopted by the State Board of Education for state accountability pursuant to A.R.S. § 15-241(H) may petition the Board to adopt unique, school-specific academic performance standards. If approved by the Board, four to six school-specific academic goals along with specific metric(s) and target(s) must be developed and agreed to by the charter holder and the Board. School-specific academic goals will be incorporated into the charter contract for the charter holder. *(See Appendix A for guidance on School-Specific Academic Goals).*

	<b>2. Is the school meeting its school-specific academic goals?</b>
	<i>Exceeds Standard:</i> <input type="checkbox"/> School exceeded its school-specific academic goals.
	<i>Meets Standard:</i> <input type="checkbox"/> School met its school-specific academic goals.
	<i>Does Not Meet Standard:</i> <input type="checkbox"/> School did not meet its school-specific academic goals.
	<i>Falls Far Below Standard:</i> <input type="checkbox"/> School fell far below its school-specific academic goals.

<sup>1</sup> A letter grade or its equivalent achievement profile will be used for schools that fall under this provision.

## Overall Ratings

An Overall Rating is determined for each charter school operated by the charter holder in accordance with the following matrix.

	Overall Rating		
	1b. State Designation for School Improvement		
1a. A-F Letter Grade State Accountability	Not Identified for Improvement	Identified for Improvement and/or Targeted Support	Identified for Improvement and/or Comprehensive Support
A	Exceeds Standard	Does Not Meet Standard	Falls Far Below Standard
B	Above Standard	Does Not Meet Standard	Falls Far Below Standard
C	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
D	Does Not Meet Standard	Does Not Meet Standard	Falls Far Below Standard
F	Falls Far Below Standard	Falls Far Below Standard	Falls Far Below Standard

For each charter school operated by a charter holder that has been approved by the Board to use School-Specific Academic Goals in place of the State Accountability indicator, the Overall Rating shall be determined as follows:

2. School-Specific Academic Goals	Overall Rating
School Exceeded its Goals	Exceeds Standard
School Met its Goals	Meets Standard
School Did Not Meet its Goals	Does Not Meet Standard
School Fell Far Below its Goals	Falls Far Below Standard

## Dashboard

The Overall Rating is represented in the form of a color-coded graphic which will be referred to as the Dashboard. Examples for the charter holder and a charter school are included below.

### Example Charter Holder

	State Accountability		School-Specific	Overall Rating
	1a. A-F Letter Grade State Accountability	1b. State Designation for School Improvement	2. School-Specific Academic Goals	
School 1	Exceeds Standard	Meets Standard	-	Exceeds Standard
School 2	Above Standard	Meets Standard		Above Standard
School 3	Meets Standard	Does Not Meet Standard	-	Does Not Meet Standard
School 4	Does Not Meet Standard	Falls Far Below Standard	-	Falls Far Below Standard
School 5	-	-	Meets Standard	Meets Standard

### Example Charter School

FY	State Accountability		School-Specific	Overall Rating
	1a. A-F Letter Grade State Accountability	1b. State Designation for School Improvement	2. School-Specific Academic Goals	
2017	Does Not Meet Standard	Falls Far Below Standard	-	Falls Far Below Standard
2018	Meets Standard	Does Not Meet Standard	-	Does Not Meet Standard
2019	Above Standard	Meets Standard	-	Above Standard

## Use of the Academic Framework

### Evaluation

An evaluation is conducted annually to determine if the charter holder meets or is making sufficient progress toward the academic performance expectations set forth in the Board's academic performance framework. Overall Ratings for the most recent fiscal year that State achievement profiles are available are used to determine whether the charter holder meets the academic performance expectations set forth in the academic framework.

### Meets the Board's Academic Performance Expectations

A charter holder meets the Board's academic performance expectations if all schools operated by the charter holder receive an Overall Rating of "Meets Standard," "Above Standard" or "Exceeds Standard" in the most recent fiscal year that State achievement profiles are available.

### Demonstrating Sufficient Progress Toward the Board's Academic Performance Expectations

A charter holder that has one or more schools that receive an Overall Rating of "Does Not Meet Standard" or "Falls Far Below Standard" for three consecutive years has failed to demonstrate sufficient progress. 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 that Overall Ratings are available and whether or not there has been improvement in the measures used to determine the Overall Rating.

The findings of the Demonstration of Sufficient Progress will be provided to the Board for consideration at the following times:

- If a charter school operated by the charter holder has failed to meet the Board's performance standard for three consecutive years
- During five year interval reviews
- When considering a charter contract renewal request submitted by the charter holder
- Upon receipt of information that a charter school operated by the charter holder has been assigned a letter grade of "F" by the Department of Education
- When considering disciplinary action against a charter holder that has breached one or more provisions of its charter contract or is in violation of state or federal law

### Reviews

A charter holder's academic performance will be considered by the Board during periodic reviews, including five-year interval reviews.

### Five-Year Interval Reviews<sup>2</sup>

The most recent Overall Rating of each school operated by a charter holder will be used to determine whether the charter holder is meeting or making sufficient progress toward meeting the Board's academic performance expectations. Charter holders will be required to undergo an Academic Systems Review, as defined in Appendix B, at five-year intervals.

## Other Reviews

Because academic performance can affect a charter holder's ability to meet the obligations of its charter contract or provisions of law, a charter holder's academic performance may also be reviewed at other times, including when the Board makes decisions related to a charter holder's financial and/or operational performance. The Board may also use academic performance data for public reporting to various stakeholders, such as schools, policymakers, students and families, and the public.

## Academic Eligibility for Expansion Requests

A charter holder's academic performance is evaluated by the Board when considering expansion requests. A charter holder is eligible to submit the expansion requests identified below if all of the following are true:

1. A dashboard for each school operated by the charter holder is available through ASBCS Online,
2. 75 percent or more of the schools operated by the charter holder have a minimum Overall Rating of "Meets Standard" in the most recent fiscal year presented on each school's academic dashboard,
3. 75 percent or more of all Associated Schools have a minimum Overall Rating of "Meets Standard" in the most recent fiscal year presented on the Associated Schools' dashboards, or
  - a. If one or more Associated Schools are excluded for academic performance purposes, then 100 percent of the remaining Associated Schools eligible to receive an Overall Rating must have a minimum Overall Rating of "Meets Standard" on the most recent fiscal year presented on the Associated Schools' academic dashboards, and
4. The charter holder meets the financial and operational eligibility requirements.

Expansion requests include:

- Adding a new charter school that is currently not in operation under an existing charter contract
- Increasing the number of students the charter holder may serve at its school(s)
- Adding or changing to an Arizona Online Instruction ("AOI") program of instruction
- Increasing the grade level the charter holder is approved to serve
- Replicating an existing charter
- Transferring a charter school from an existing charter contract to its own charter contract
- Transferring a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard

If during the processing of one of the expansion requests identified above the Board develops new academic dashboards for the schools operated by the charter holder, Associated School(s), or both, then Board staff will reevaluate the charter holder's eligibility based on the most recent fiscal year academic dashboard.

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<sup>2</sup> Five year interval reviews are counted using the first year in which the charter holder may operate a charter school under its charter contract

## Associated Schools

An Associated School is:

- A school operated by a charter holder that operates one or more other schools that contract with the same Education Service Provider.
- A school operated by the same charter holder but under different charter contracts.
- A school operated by a charter holder with at least fifty (50) percent of corporate board officers, directors, members or partners in common, as reflected in the charter contract.

The Board will consider the academic performance of Associated Schools in its consideration of replication applications and new charter applications submitted by officers, directors, partners or members, or charter representatives of existing Charter Holders and may consider associated schools at other times.

## Conclusion

A strong academic framework is critical for setting clear expectations for schools and for making high-stakes decisions more clear-cut and transparent. The creation and implementation of the academic framework required that the Board consider many factors, including which data elements are available, the quality of the data, and what information will support the Board in making high-stakes decisions.

Summarizing data into an Overall Rating that leads to certain predictable decisions and consequences supports the Board making objective, data-driven decisions. The academic framework provides an effective means to use ratings to “flag” a school for further evaluation, and then make a judgment about how to apply the consequences with relevant information being considered. This two-step process provides a transparent, data-driven method of placing schools in different categories of reward, review, or consequence.

**APPENDIX A:**  
**School-Specific Academic Goals**

## School-Specific Academic Goals

The Board recognizes that there are charter schools serving preponderant populations of at-risk students that are not included in the State's criteria to obtain Alternative School status and has provided an opportunity for those schools to request use of school-specific academic goals in place of State Accountability.

### Identifying Eligible Schools

The School-Specific Academic Goals indicator is not intended to replace State Accountability measures for schools that are identified as Alternative, or for any schools that have an achievement profile established by the Department of Education and adopted by the State Board of Education for state accountability pursuant to A.R.S. § 15-241(H).

Subject to adoption by the State Board of Education, the Department of Education is required to use appropriate achievement profiles to assess accommodation schools, alternative schools, and extremely small schools and may develop achievement profiles for Arizona Online Instruction schools and others. Under the current criteria to obtain Alternative School Status, the school must be approved by the Arizona Department of Education to serve students in one or more of the following categories:

- Students who have a documented history of disruptive behavior issues.
- Students who have dropped out of school and are now returning.
- Students in poor academic standing as demonstrated by being at least one year behind on grade level performance or academic credits.
- Students who are primary caregivers or are financially responsible for dependents and, therefore, may require a flexible school schedule.
- Students who are adjudicated.
- Students who are wards of the state and are in need of an alternative school setting

Schools receiving an achievement profile pursuant to A.R.S. § 15-241(H) are not eligible to apply for School-Specific Academic Goals.

### Schools Eligible to Apply for School-Specific Academic Goals

A charter holder that operates a school that serves a special population that does not have an achievement profile established by the Department of Education and adopted by the State Board of Education for state accountability pursuant to A.R.S. § 15-241(H) may petition the Board to adopt unique performance standards. The Board shall consider a petition for use of the School-Specific Academic Goals if at least 70% of the students served by the school are identified as having at least one of the following risk factors:

- Identified as needing special education services
- Homeless

Schools that meet the criteria shall be approved by the Board to use school-specific academic goals. The charter holder shall provide verification that it meets the eligibility criteria at the time of initial application for use of school-specific academic goals and at subsequent five-year interval reviews.

## Indicators and Measures

If approved by the Board, four to six school-specific academic goals along with specific metric(s) and target(s) must be developed and agreed to by the charter holder and the Board. School-specific academic goals will be incorporated into the charter contract for the charter holder. Schools shall select one or more measures from each of the indicators listed below:

**Student Growth** – Academic improvement over time on valid and reliable assessments of Arizona academic standards.

**Student Achievement** – Academic proficiency on valid and reliable assessments of Arizona academic standards.

**Post-secondary Readiness** – Outcomes in key subjects that indicate future success or that are aligned to college and career readiness such as graduation rates, SAT/ACT performance, workforce readiness, credit/course completion, or other metrics.

**Student Engagement** – Predictors of student achievement such as suspension rates, in-seat attendance rates, and positive socio-emotional or psychological adjustment rates.

# **Appendix B:**

## **Academic Systems Review**

## Academic Systems Review

As part of the Five Year Intervals Review Process, the Board will conduct a comprehensive on-site Academic Systems Review to gain an understanding of how the school develops and implements the following:

- 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.

**Purpose:** This visit is designed 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.

**Length:** 0.5 – 1 day (typically scheduled 8:30 am to 12:30 pm)

**Team:** Board staff

**Product:** A Five-Year Intervals Review Report will summarize the Board staff's findings based on observations at the school site, discussion with school leadership team, and a review of documents. In addition, each report will include a summary of the charter holder's academic, financial and operational performance and any areas requiring further attention. The findings will consist of a summary of the school's implementation in specific areas and identification of any areas requiring attention.

**Eligible Schools:** All charter schools operated by a charter holder at the time of their five and ten year interval review.

**Criteria:** The school delivers a comprehensive program of instruction and has designed a method to measure pupil progress toward pupil outcomes that provides improved academic outcomes and educational success for all students.

*Below are the main questions that will guide the Board staff's inquiry during the site visit*

Does the school have an explicit, written curriculum for core content areas that is aligned with the state academic standards that drills down to the skill level?

Is there a systematic process in place for annually monitoring, evaluating, and reviewing the curriculum?

How is the integration of the state academic standards into the teachers' instructional practices assessed?

What does the school's teacher evaluation system comprise of? (Type, Frequency, Formative & Summative)

Is there a comprehensive assessment plan that utilizes data in a variety of ways to measure student performance and plan for teaching and learning?

How does the school staff track, analyze, and monitor its students' academic performance?

What evidence demonstrates that the professional development the teachers are engaged in is increasing student achievement?

How are the professional development activities aligned with the program of instruction (curriculum, methods of instruction, best practices)? What types of follow-up activities occur?

# **Arizona State Board for Charter Schools**

## **Operational Performance Framework and Guidance**

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Revised October 10, 2017

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Support and funding for the development of the State Board for Charter Schools Performance Framework, which includes the Academic Framework, Operational Framework and Financial Framework, were provided by NACSA and through its Fund for Authorizing Quality.

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- Governor Brewer’s Office of Education Innovation
- Arizona Community Foundation
- Stand for Children
- Rodel Charitable Foundation of Arizona
- Arizona Virtual Academy

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## **Operational Framework Guidance**

The purpose of the Operational Performance Framework (“Operational Framework”) is to communicate to the charter schools and public the State Board for Charter Schools’ (“Board”) compliance-related expectations. The Operational Framework includes, but is not limited to, expectations the charter school is required to meet through state and federal law, the charter contract, and administrative rule.

The Board, in its oversight of charter holders and the schools that they operate, strives not to be over-reaching, but also recognizes the need to protect the public’s interests. Because charter schools are public entities they must maintain the public’s trust that they are implementing their education program as set out in the charter, spending public funds responsibly, and adhering to laws and charter requirements regarding the implementation of the education program and their operational reporting and compliance requirements. The measures incorporated herein are not intended to create a duplicative reporting burden on the charter holder, but rather provide an evaluation of the charter holder’s operational compliance based on a collection of information gathered from a variety of sources. The Board is aware of the delicate balance between appropriate oversight and infringement on autonomy and developed the Operational Framework with that balance in mind.

### **FRAMEWORK STRUCTURE**

The framework is divided into broad categories or indicators. Within the indicators are individual measures that help to determine a charter holder’s performance on each of the indicators. The metrics are the general means by which to evaluate the measure, and the ratings are the thresholds set to determine whether a charter holder is meeting the standard or not. The Board has evaluated federal and state laws, the charter contract, and its own policies in establishing the measures and metrics included in the Operational Framework. The indicators, measures, metrics, and ratings, as they pertain to the Operational Framework, are explained in more detail below.

#### **Indicators**

The framework includes three indicators or categories used to evaluate the charter holder’s operational performance and compliance.

*Implementation of the Education Program.* This indicator includes measures of the charter holder’s fidelity to the education program as defined by the charter contract and law. Charter holders must, by means of a charter application (or charter amendment), propose to the Board the education program they plan to implement. The Board approves a charter application package based on the expectation that the charter holder will implement its education program as proposed. This section evaluates the charter holder’s adherence to the proposed education program, as it is set out in the charter contract. Additionally, certain aspects of an education program are required by law (e.g. administration of assessments, education of students with disabilities, etc.) and this section also addresses the education requirements established by law that the charter holder must adhere to. The Board has adopted a separate Academic Performance Framework that includes the Board’s academic performance expectations of the charter school and the measurement of sufficient progress toward the academic performance expectations.

*Financial and Operational Reporting and Compliance.* This indicator includes measures of the charter holder’s ability to adhere to financial and operational reporting and compliance requirements. This section evaluates the charter holder’s implementation of sound business operations, ability to properly enroll and report student attendance, provision of a safe environment, transparency in operations, compliance with obligations to the Board, and compliance with reporting requirements of other entities to which the charter holder is accountable.

*Additional Obligations.* This measure evaluates whether the charter holder complies with all other applicable operational obligations addressed in law, rule, regulation and the charter contract, including the charter holder’s history of judgments, court orders, or other obligations of the charter holder not addressed by other measures in the Operational Framework.

## **Measures**

For each of the indicators, the Operational Framework provides a number of measures by which to evaluate charter holders. The measures take the form of a question about each charter holder’s performance. For example:

- Is the charter holder maintaining a safe environment consistent with state and local requirements?
- Is the charter holder administering student admission and attendance appropriately?

Information and guidance specific to each measure is provided below in the Measures In Detail section.

## **Metrics**

Metrics are expectations set forth in evaluating a measure. For example, to evaluate whether the charter holder is administering student admission and attendance appropriately we look to a number of areas where the charter holder must meet existing expectations established by laws, rules, regulations, or provisions of the charter contract. Examples of metrics for this measure are:

- Compliance with applicable laws, rules, regulations and provisions of the charter contract relating to enrollment policies, procedures and processes.
- Accurate submission of estimated counts and attendance data to the Arizona Department of Education.

Throughout the Operational Framework, the Board set forth the metrics for evaluating the different measures within the “Meets Standard” rating.

## **Rating the Measure**

In the area of operational performance, the Board is frequently faced with absolute standards for compliance. Legal and contractual requirements are either met or they are not. But in order to avoid penalizing charter holders for anything less than perfection, the Board has adopted a reasonable measure of sufficiency that acknowledges attentiveness and prudent compliance.

For each measure, a charter holder receives one of three ratings based on evaluation of the established metrics.

*Meets Standard.* The “Meets Standard” rating is achieved when the charter holder demonstrates compliance with all metrics in the measure.

*Does Not Meet Standard.* The “Does Not Meet Standard” rating remains consistent for each measure in the Operational Framework and reads:<sup>1</sup>

“The charter holder has failed to comply in the manner described above<sup>2</sup>; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.”

This means that the charter holder has failed to meet the metrics at any point during the evaluation period; however, the charter holder has either brought the school into compliance or has made sufficient progress toward compliance. See the Evaluation section for information on how the number of “Does Not Meet Standard” designations is incorporated into a determination of whether the charter holder meets the Board’s operational expectations.

*Falls Far Below Standard:* The “Falls Far Below Standard” rating also remains consistent for each measure in the Organizational Framework and reads:<sup>3</sup>

“The charter holder failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).”

“Falls Far Below Standard” means the charter holder is currently not in compliance with the requirement. A charter holder may also receive this rating if the charter holder has implemented remedies to come into compliance, but the initial noncompliance created a significant risk to the operation of the school. Finally, a charter holder may also receive this rating if it has been chronically out of compliance throughout the review period.

<sup>1</sup> The Operational Framework includes one exception to this rule; see Measure 1.a. in the Measures In Detail section.

<sup>2</sup> “...manner described above” meaning as described in the Meets Standard section which specifies the metrics being evaluated.

<sup>3</sup> The Operational Framework includes one exception to this rule; see Measure 1.a in the Measures In Detail section.

## USING THE OPERATIONAL FRAMEWORK

### Collecting Evidence

Similar to the Academic and Financial Performance Frameworks, the Board will utilize the information it has available in evaluating the various measures of the Operational Framework. The evidence that is necessary to determine whether the charter holder is meeting each measure is based on availability of existing data and the capacity of the Board's staff to collect, analyze and report out the information. Some measures in the Operational Framework require periodic monitoring to ensure compliance, while others can be analyzed annually during site visits or through reports submitted by the charter holder to the Board. Others may only be reviewed when the Board is presented with information that warrants evaluation.

Common ways the Board will collect data to evaluate charter holders' operational performance, beginning with the least intensive approach, include:

*Expectation that the terms of the charter will be honored.* The Board does not have the capacity to monitor or review every operational function of each charter holder's activity related to the operation of a school. Nor does the Board desire to burden the charter holder with annual reviews of such operational functions. However, there is an expectation that the charter holder will comply with the contract terms, whether monitored regularly or not. The Operational Framework provides a space for the Board to report any substantiated cases of noncompliance in areas where it may not routinely evaluate the school. For example, there is an expectation that the charter holder will not charge tuition or fees as a condition of enrollment, but the Board does not review the enrollment forms of each charter holder annually. A complaint to the Board may warrant a direct review or investigation of the charter holder's enrollment practices. The burden of providing evidence of compliance lies with the charter holder. Open investigations and findings in which the charter holder is engaged in a right of appeal will not be rated in any performance measure.

*Required reporting.* Under the law and contract and through established rules, the charter holder is required to report or verify compliance with specific operational functions to the Board. For example, the charter holder is required to submit an annual financial and compliance audit, which is conducted by an independent certified public accountant and includes determinations of compliance with multiple operational functions.

*Third-Party reviews.* Another way to verify compliance is to seek reviews from a third party reviewer (e.g. the Board may rely on the Exceptional Student Services Section of the Arizona Department of Education (ADE) to assess compliance with laws relating to the education of students with disabilities). This allows for the Board to access expert opinions while at the same time reducing redundancy in review and evaluation of the charter holder. Open investigations and findings in which the charter holder is engaged in a right of appeal will not be rated in any performance measure.

*Observed practice.* The Board may determine compliance for certain measures in the Operational Framework through direct observation. For example, students may be counted and attendance practices may be monitored during a site visit to verify compliance with attendance reporting requirements.

*Investigations.* At times the Board may receive complaints or assertions from individuals that a school is not in compliance. When the Board receives a complaint and determines that the allegation may be a violation of contract or law, it will investigate. Open investigations will not be rated in any performance measure. Substantiated violations will be reflected in the appropriate measure.

## **Evaluation**

### Review of Charter Holder's Operational Performance

A charter holder's operational performance will be considered by the Board throughout the term of the charter contract including, but not limited to:

- When considering a charter contract renewal request submitted by the charter holder
- During five-year interval review
- Upon receipt of information that a charter school operated by the charter holder has been assigned a letter grade of "F" under the state accountability system
- If a charter school operated by a charter holder has failed to meet the Board's academic performance standard for three consecutive years
- Addition of a new school that is currently not in operation under an existing charter contract<sup>4</sup>
- Increase in the number of students the charter holder may serve at its school(s)<sup>4</sup>
- Addition of or change to an AOI program of instruction<sup>4</sup>
- Increase in the grade levels the charter holder is approved to serve<sup>4</sup>
- Replication of an existing charter<sup>4</sup>
- Transfer of a charter school from an existing charter contract to its own charter contract held by a charter holder with a different name than the existing charter holder<sup>4</sup>
- Transfer of a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard<sup>4</sup>
- Transfer of the charter contract from another sponsor to the Board
- When a new charter application package is submitted by an officer, director, partner, member or charter representative of the charter holder

Because operational performance can affect a charter holder's ability to meet the obligations of its charter contract or provisions of law, a charter holder's operational performance may also be reviewed at other times when the Board makes decisions related to a charter holder's academic and/or financial performance.

### Operational Eligibility for Expansion Requests

A charter holder is eligible to submit or, as applicable, to be the receiving party in the expansion requests identified below if all of the following are true:

1. A dashboard for the charter holder is available through ASBCS Online.
2. The charter holder meets the operational performance standard for the most recent completed fiscal year.
3. The charter holder meets the operational performance standard for the current evaluated year.
4. 75 percent or more of its Associated Charters meets the operational performance standard for the most recently completed fiscal year and the current evaluated year.
5. The charter holder meets the academic and financial eligibility requirements.

<sup>4</sup> The Board has established operational eligibility criteria for this request (see "Operational Eligibility for Expansion Requests" section).

Expansion requests include:

- Adding a new charter school that is currently not in operation under an existing charter contract
- Increasing the number of students the charter holder may serve at its school(s)
- Adding or changing to an Arizona Online Instruction (AOI) program of instruction
- Increasing the grade levels the charter holder is approved to serve
- Replicating an existing charter
- Transferring a charter school from an existing charter contract to its own charter contract
- Transferring a charter school or charter contract from the current charter holder to an existing charter holder with a different dashboard

For eligibility determination purposes, an Associated Charter is:

- A charter operated by the charter holder that contracts with the same education service provider.
- A charter operated by the same charter holder.
- A charter operated by a charter holder with at least 50 percent of the officers, directors, members or partners in common, as reflected in the charter contract.

If during the processing of one of the expansion requests identified above the Board receives new operational data for the charter holder, Associated Charter(s), or both, then Board staff will update the applicable dashboard(s) and reevaluate the charter holder's eligibility based on the most recent fiscal year operational dashboard.

### **Overall Rating**

To provide historical context, up to five years of operational performance will be included in a charter holder's operational performance dashboard. The evaluation is completed annually and a determination is made as to whether the charter holder met the Board's operational performance standard for the fiscal year. Annual performance is used to determine whether the charter holder met the Board's operational performance expectations.

### **Meeting the Standard**

A charter holder "Meets the Board's Operational Performance Standard" if it receives zero "Falls Far Below Standard" ratings and no more than five "Does Not Meet Standard" ratings across the Operational Framework's nine measures for the evaluated year<sup>5</sup>. A charter holder "Does Not Meet the Board's Operational Performance Standard" if it receives one or more "Falls Far Below Standard" ratings and/or more than five "Does Not Meet Standard" ratings across the Operational Framework's nine measures for the evaluated year.

### **Meeting the Expectations**

A charter holder "Meets the Board's Operational Performance Expectations" when it has an overall rating of "Meets the Board's Operational Performance Standard" for the most recent two prior years for which an overall rating was calculated and has no measure that receives a "Falls Far Below Standard" rating in the current year. A charter holder "Does Not Meet the Board's Operational Performance Expectations" when it has an overall rating of "Does Not Meet the Board's Operational Performance Standard" for at least one of the most recent two prior years for which an overall rating was calculated and/or has at least one measure that receives a "Falls Far Below Standard" rating in the current year.

<sup>5</sup> Each measure receives a single rating incorporating all metrics in the measure.

Compliance checks will continue to be conducted as part of the amendment request approval and expansion processes.

Unlike with the Board's Academic and Financial Performance Frameworks, charter holders that fail to meet the Board's operational performance expectations will not be required to submit additional documentation to the Board. The Board's Operational Framework translates compliance-related information obtained by the Board through various processes and from various sources into a more concise presentation, but does not change the Board's processes or the processes followed by other entities for responding to the issues referenced in the framework as they occur. As such, the charter holder will have already been provided the opportunity to respond to the issues and the charter holder's demonstration of compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board will be considered. In accordance with statute, the Board shall use the information obtained from the Operational Framework in implementing its oversight and administrative responsibilities.

## MEASURES IN DETAIL

The Operational Framework catalogs, in one place, the various requirements that the charter holder must meet according to state or federal law, rules, regulations, policy and provisions of the charter contract. In this section, the measures included in the Operational Framework are defined and background information is provided to better understand each measure and what evidence is used to evaluate the charter holder against the measure.

### Indicator 1: Implementation of the education program as defined in the current charter contract and state and federal law

<b>1.a. Does the delivery of the education program and operation reflect the essential terms<sup>6</sup> of the educational program as described in the charter contract?</b>
<b>Meets Standard:</b> The charter holder's education program, in operation, reflects the essential terms as described in the charter contract.
<b>Does Not Meet Standard:</b> The charter holder has failed to implement the program in the manner described above; the failure(s) were material, <i>and</i> the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.
<b>Falls Far Below Standard:</b> The charter holder has failed to implement the program in the manner described above, the failure(s) were material, <i>and</i> the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; <i>or</i> the charter holder has failed to implement the program in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

The Board approves new charter school applications on the basis of the proposal of the essential terms of a charter. The approved application is incorporated in the charter contract and is available to the public. The charter holder is expected to serve the grade levels identified in the charter contract and provide a program of instruction reflective of the instructional methodology and instructional delivery format included in the charter application (for example, the school will implement a STEM program, serving grades K-6, in a blended learning educational delivery model). It is anticipated that as a charter school matures, it may evolve and consider changes to its education program. The charter holder is required to request an amendment to the contract if it plans to modify the grades levels served or if the program of instruction will change from what has been incorporated in the contract (e.g., The program of instruction no longer relies on direct instruction and is solely computer based, the population served and the programs used support a transition to Alternative School status, etc.)

If the charter holder modifies or changes the essential terms of the contract without prior consent of the Board, then the charter holder is out of compliance with the contract and is not meeting the standard. For example, if the charter contract states that an essential term of the charter contract is to deliver its program through a blended learning model, yet the school has been unable to purchase the technology necessary to implement this model, and evaluation methods utilized confirm that the charter holder is

<sup>6</sup> The essential terms of the charter are the critical characteristics that define the charter school program such that in order to change these characteristics the charter holder must submit a notification or amendment request for Board approval.

not providing a blended learning program, the charter holder is not implementing its essential terms and is out of compliance with its charter. To remedy this failure, the charter holder could either begin implementing the blended learning model or propose to the Board a revision to its essential terms and be approved by the Board to implement the change.

**Sources of Data:** The Board may verify implementation of the essential terms through site visit observations, document review, interviews with stakeholders in the charter community, and required reports from the charter holder (including information collected as part of an academic performance review, annual reports and renewal applications).

<p><b>1.b. Does the charter holder adhere to applicable education requirements defined in state and federal law?</b></p>
<p><b>Meets Standard:</b></p> <p>The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to education requirements, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Providing services pursuant to IDEA, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act relating to the treatment of students with identified disabilities and those suspected of having a disability</li> <li>• Meeting the required provision of instructional days or hours</li> <li>• Providing any data that is required and requested for the purpose of compiling the school’s achievement profile</li> <li>• Implementing mandated programming as a result of state or federal funding</li> </ul>
<p><b>Does Not Meet Standard:</b></p> <p>The charter holder has failed to comply in the manner described above; the failure(s) were material, <i>and</i> the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.</p>
<p><b>Falls Far Below Standard:</b></p> <p>The charter holder has failed to comply in the manner described above, the failure(s) were material, <i>and</i> the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; <i>or</i> the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).</p>

Some elements of a public school’s education program are fixed in law and may not be waived for charter schools. This measure evaluates the school’s adherence to education requirements, including:

- The provision of educational services pursuant to IDEA, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act relating to the treatment of students with identified disabilities and those suspected of having a disability. Consistent with the school’s status and responsibilities as a Local Education Agency (LEA), the charter holder is required to materially comply with applicable laws, rules, regulations, and provisions of the charter contract relating to the education of students with identified disabilities and those suspected of having a disability.
- The provision of the required number of instructional days and instructional hours.
- The provision of any data that is required and requested and that is necessary to compile the achievement profile, which includes the appropriate administration of State required assessments.

- The provision of educational services and the administration of federal programs by a charter holder receiving federal funds for such programs, including adherence to the procedures for amending a grant and submitting completion reports timely.

**Sources of Data:** The Board will evaluate this measure through required reports, site visit observations and interviews of stakeholders, the annual audit reporting package, or third-party reports or monitoring. The Board will review periodic evaluations completed by the ADE of programs relating to the education of students with disabilities. The Board may follow up if complaints or reports indicate noncompliance. Follow up review could include a request of data to verify compliance, such as school calendars, student records, or reports the school may submit to the ADE (e.g. reports to verify state assessment compliance).

When evaluating the requirement that the charter holder implemented “mandated programming as a result of state or federal funding”, the Board will work with divisions within the ADE that oversee these programs (e.g. Title IV) as they have oversight responsibility and processes in place to evaluate and report findings of noncompliance.

**Indicator 2: Financial and operational reporting and compliance**

<b>2.a. Do the charter holder’s annual audit reporting packages reflect sound operations?</b>
<p><b><i>Meets Standard:</i></b></p> <p>The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to the annual audit reporting package, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Timely submission of a complete annual audit reporting package</li> <li>• An unqualified audit opinion</li> <li>• An audit where first-time medium impact findings resulting in a corrective action plan (CAP) requirement have been completed</li> <li>• An audit devoid of second-time or repeat medium impact findings</li> <li>• An audit devoid of serious impact findings</li> <li>• An audit devoid of minimal impact findings that have been identified in three or more consecutive annual audit reporting packages</li> </ul>
<p><b><i>Does Not Meet Standard:</i></b></p> <p>The charter holder has failed to comply in the manner described above; the failure(s) were material, <i>and</i> the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.</p>
<p><b><i>Falls Far Below Standard:</i></b></p> <p>The charter holder has failed to comply in the manner described above, the failure(s) were material, <i>and</i> the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; <i>or</i> the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).</p>

State law requires all charter holders be audited annually by an independent certified public accountant. The completed audit, also referred to as an audit reporting package, provides the Board with an independent review of a charter holder’s financial records, as well as the charter holder’s fiscal and compliance practices. The audit is the one tool that the Board has that annually provides information on the financial and compliance performance of each of the Board’s charter holders. As such, the audit is a

key component of the Board’s monitoring practices and its timely submission is essential for the Board to carry out its oversight responsibilities.<sup>7</sup>

To guide the review of the annual audits and the follow-up with charter holders on issues identified through the audits, the Board developed the [Audit & Compliance Questionnaire Follow-up Matrix](#) (“audit matrix”). The audit matrix classifies issues identified through the audits into one of three categories – minimal impact findings, medium impact findings and serious impact findings – and defines each category as follows:

- ***Minimal impact finding*** – Findings that do not significantly impact students or the operation of the school, but are still required by law or the charter contract to be rectified.
- ***Medium impact finding*** – Findings that impact the educational environment, operation of the school and/or the school’s stakeholders, but are not threats to health and safety or gross violations of Generally Accepted Accounting Principles (GAAP).<sup>8</sup>
- ***Serious impact finding*** – Findings that have a significant impact to the students or the operation of the school, including threats to the health and safety of students, gross violations of GAAP that increase the opportunity for fraud/theft, and repeat noncompliance.

The audits are reviewed pursuant to the Board’s administrative rules and in accordance with the audit matrix. Each charter holder that will be operating in the next fiscal year receives a letter after the audit has been reviewed. Depending on the “impact” of the issues identified, the letter may: a) indicate the charter holder should work towards correcting the issues and that staff will monitor for repeated issues in the next audit (“minimal impact”); b) indicate the audit included repeated issues that had not been addressed from the prior year’s audit (“minimal impact”); c) require the charter holder to submit a corrective action plan (“medium impact”); and/or d) state that the charter holder will be placed on an upcoming agenda for possible disciplinary action (“serious impact”). For more information on the audit review and follow-up process and the audit findings that require the submission of a corrective action plan, see Appendix B.

Critical to a charter holder’s health and stability is its ability to manage its finances well. The Board has a responsibility to protect the public’s interest and must evaluate the extent to which the charter holder is responsibly managing its finances. Charter holders’ financial statements should have an unqualified or “clean” auditor’s opinion. This means that the auditor found the financial statements to be accurate and complete, which is necessary for evaluating a charter holder’s financial health. The Board has adopted a separate Financial Performance Framework that includes the Board’s financial performance expectations of the charter holder.

**Sources of Data:** The annual audit reporting packages submitted to the Board, audit-related communications between the Board and a charter holder and, if applicable, a charter holder’s corrective action plans and site visits conducted by Board staff.

<sup>7</sup> Most charter holders audits must be submitted by November 15<sup>th</sup>, which is four and a half months after the end of the fiscal year. If the charter holder’s federal grant fund expenditures exceed a certain amount, then the charter holder must undergo a single audit, which, pursuant to federal regulations, must be submitted by March 31<sup>st</sup> or nine months after the end of the fiscal year. More detailed information is available in the Board’s [audit guidelines](#).

<sup>8</sup> Generally Accepted Accounting Principles are the uniform minimum standards for financial accounting and reporting. They govern the form and content of the charter holder’s financial statements.

**2.b. Is the charter holder administering student admission and attendance appropriately?**

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Accurate submission of estimated counts and attendance data to the Arizona Department of Education
- Tuition and fees
- Public school tax credits
- Attendance records
- Enrollment policies, procedures and processes

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

Charter schools are public schools open to all eligible students. Except for the requirement that the student reside within the state, a charter school does not have enrollment boundaries. A charter holder is required to enroll all eligible pupils who submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. Should the applications exceed the school's capacity, a fair and equitable enrollment process must be implemented. The revenue a charter holder generates is, in part if not all, based on its equalization (state aid) payments. These payments are initially generated from the estimated counts the charter holder provides to the ADE and subsequently from periodically uploaded attendance data. A charter school may not charge tuition, but may charge fees for any extracurricular activity and specific events or programs or courses in accordance with the law. Any assessment of fees shall contain a provision that allows the fees to be waived in the event of economic hardship to the pupil. Additionally, nonpayment of fees charged by a public school may not prevent a pupil from enrolling in, applying to or remaining enrolled in a public school. A charter holder may collect public school tax credits as prescribed by law.

**Sources of Data:** The Board may verify admissions processes and documents, tuition and fees, and tax credits through review of website information, document reviews, interviews with stakeholders in the charter community, and required reports from the charter holder. Attendance reporting may be verified through site visits, document review, interviews with stakeholders, and required submissions to the ADE.

**2.c. Is the charter holder maintaining a safe environment consistent with state and local requirements?**

**Meets Standard:**

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Maintaining appropriate facility documents, including a certificate of occupancy, fire marshal inspection report, county or municipal health inspection report, liability and property loss insurance coverage, and/or other applicable documents
- Ensuring all employees, personnel, vendors and other individuals have been properly fingerprinted and background checked

**Does Not Meet Standard:**

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

**Falls Far Below Standard:**

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

The evaluation of a school’s physical structure for safety purposes does not fall within the Board’s purview. However, a charter holder must obtain and be able to provide documents regarding inspections, certificates and reports supporting a facility that is safe for the operation of school and related activities. Additionally, a charter holder must be able to produce documents indicating processes have been followed and documents have been obtained which support the appropriate checks have been completed of required personnel for the purpose of protecting the safety of students.

**Sources of Data:** The annual audit reporting packages submitted to the Board, audit-related communications between the Board and a charter holder and, if applicable, a charter holder’s corrective action plans, information and documents obtained during site visits, materials provided to the Board, and information provided by stakeholders.

**2.d. Is the charter holder transparent in its operations?**

**Meets Standard:**

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Academic performance notifications
- Availability of teacher resumes
- Open Meeting Law
- Alignment of officers, directors, members and partners of the charter holder on record as part of the charter contract with Arizona Corporation Commission submissions

**Does Not Meet Standard:**

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

**Falls Far Below Standard:**

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

Charter holders generally operate as private entities. Each entity contracts with an authorizer, such as the Board, for the purpose of operating a charter school. As a private entity operating in the public sector, a charter holder is required to produce and/or hold open certain documents for public inspection and to follow the law with regard to required notices.

**Sources of Data:** Correspondence sent by the school, information reviewed during site visits, annual audit reporting packages submitted to the Board, audit-related communications between the Board and a charter holder, information provided by stakeholders, and materials submitted for amendment requests.

**2.e. Is the charter holder complying with its obligations to the Board?**

*Meets Standard:*

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Timely submissions of required documents, notification requests and amendment requests
- Limited substantiated complaints
- Favorable actions taken by the Board

*Does Not Meet Standard:*

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

*Falls Far Below Standard:*

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

The Board is required to exercise general supervision and has oversight and administrative responsibility for the charter schools that it sponsors. In order to carry out these responsibilities, the Board depends on the charter holder to comply with reporting requirements in a timely manner.

**Sources of Data:** Correspondence between the Board and a charter holder, information reviewed during site visits, annual audit reporting packages submitted to the Board, audit-related communications, information provided by stakeholders, and material submitted for amendment requests.

**2.f. Is the charter holder complying with reporting requirements of other entities to which the charter holder is accountable?**

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements monitored by other entities to which the charter holder is accountable, including but not limited to:

- Arizona Corporation Commission
- Arizona Department of Economic Security
- Arizona Department of Education
- Arizona Department of Revenue
- Arizona State Retirement System (if participating)
- Equal Employment Opportunity Commission
- Industrial Commission of Arizona
- Internal Revenue Service
- U.S. Department of Education

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

Charter holders generally operate as private entities. Each entity contracts with an authorizer, such as the Board, for the purpose of operating a charter school. As a private entity operating in the public sector, a charter holder has a fiduciary responsibility to comply with applicable laws, rules, and regulations including certain reporting requirements to other public entities.

**Sources of Data:** Correspondence between the Board and a charter holder, information reviewed during site visits, annual audit reporting packages submitted to the Board, audit-related communications, information provided by stakeholders, and communications and documents from other entities to which the charter holder is accountable.

### Indicator 3: Additional Obligations

<b>3. Is the charter holder complying with all other obligations?</b>
<p><b>Meets Standard:</b></p> <p>The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:</p> <ul style="list-style-type: none"><li>• Judgments or court orders issued by a court of competent jurisdiction</li><li>• All other obligations to which the charter holder is subject to that have not been addressed by the framework's other measures</li></ul>
<p><b>Does Not Meet Standard:</b></p> <p>The charter holder has failed to comply in the manner described above; the failure(s) were material, <i>and</i> the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.</p>
<p><b>Falls Far Below Standard:</b></p> <p>The charter holder has failed to comply in the manner described above, the failure(s) were material, <i>and</i> the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; <i>or</i> the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).</p>

Charter holders generally operate as private entities. Each entity contracts with an authorizer, such as the Board, for the purpose of operating a charter school. As a private entity operating in the public sector, a charter holder has a fiduciary responsibility to comply with applicable laws, rules, and regulations.

**Sources of Data:** Correspondence between the Board and a charter holder, information reviewed during site visits, annual audit reporting packages submitted to the Board, audit-related communications, information provided by stakeholders, and communications and documents from other entities to which the charter holder is accountable.

# **APPENDICES**

**Appendix A    Operational Performance Framework**

**Appendix B    Audit Review & Follow-up Process**

Appendix A

## Operational Performance Framework

### Indicator 1: Implementation of the education program as defined in the current charter contract and state and federal law

<b>1.a. Does the delivery of the education program and operation reflect the essential terms<sup>9</sup> of the educational program as described in the charter contract?</b>
<b>Meets Standard:</b> The charter holder’s education program, in operation, reflects the essential terms as described in the charter contract.
<b>Does Not Meet Standard:</b> The charter holder has failed to implement the program in the manner described above; the failure(s) were material, <i>and</i> the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.
<b>Falls Far Below Standard:</b> The charter holder has failed to implement the program in the manner described above, the failure(s) were material, <i>and</i> the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; <i>or</i> the charter holder has failed to implement the program in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).
<b>1.b. Does the charter holder adhere to applicable education requirements defined in state and federal law?</b>
<b>Meets Standard:</b> The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to education requirements, including but not limited to: <ul style="list-style-type: none"><li>• Providing services pursuant to IDEA, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act relating to the treatment of students with identified disabilities and those suspected of having a disability</li><li>• Meeting the required provision of instructional days or hours</li><li>• Providing any data that is required and requested for the purpose of compiling the school’s achievement profile</li><li>• Implementing mandated programming as a result of state or federal funding</li></ul>
<b>Does Not Meet Standard:</b> The charter holder has failed to comply in the manner described above; the failure(s) were material, <i>and</i> the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.
<b>Falls Far Below Standard:</b> The charter holder has failed to comply in the manner described above, the failure(s) were material, <i>and</i> the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; <i>or</i> the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

<sup>9</sup> The essential terms of the charter are the critical characteristics that define the charter school program such that in order to change these characteristics the charter holder must submit a notification or amendment request for Board approval.

## Indicator 2: Financial and operational reporting and compliance

### 2.a. Do the charter holder's annual audit reporting packages reflect sound operations?

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to the annual audit reporting package, including but not limited to:

- Timely submission of a complete annual audit reporting package
- An unqualified audit opinion
- An audit where first-time medium impact findings resulting in a corrective action plan (CAP) requirement have been completed
- An audit devoid of second-time or repeat medium impact findings
- An audit devoid of serious impact findings
- An audit devoid of minimal impact findings that have been identified in three or more consecutive annual audit reporting packages

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

### 2.b. Is the charter holder administering student admission and attendance appropriately?

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Accurate submission of estimated counts and attendance data to the Arizona Department of Education
- Tuition and fees
- Public school tax credits
- Attendance records
- Enrollment policies, procedures and processes

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

**2.c. Is the charter holder maintaining a safe environment consistent with state and local requirements?**

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Maintaining appropriate facility documents, including a certificate of occupancy, fire marshal inspection report, county or municipal health inspection report, liability and property loss insurance coverage, and/or other applicable documents
- Ensuring all employees, personnel, vendors and other individuals have been properly fingerprinted and background checked

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

**2.d. Is the charter holder transparent in its operations?**

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Academic performance notifications
- Availability of teacher resumes
- Open Meeting Law
- Alignment of officers, directors, members and partners of the charter holder on record as part of the charter contract with Arizona Corporation Commission submissions

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

**2.e. Is the charter holder complying with its obligations to the Board?**

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Timely submissions of required documents, notification requests and amendment requests
- Limited substantiated complaints
- Favorable actions taken by the Board

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

**2.f. Is the charter holder complying with reporting requirements of other entities to which the charter holder is accountable?**

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements monitored by other entities to which the charter holder is accountable, including but not limited to:

- Arizona Corporation Commission
- Arizona Department of Economic Security
- Arizona Department of Education
- Arizona Department of Revenue
- Arizona State Retirement System (if participating)
- Equal Employment Opportunity Commission
- Industrial Commission of Arizona
- Internal Revenue Service
- U.S. Department of Education

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

### Indicator 3: Additional Obligations

#### 3. Is the charter holder complying with all other obligations?

***Meets Standard:***

The charter holder complies with applicable laws, rules, regulations and provisions of the charter contract relating to operational requirements, including but not limited to:

- Judgments or court orders issued by a court of competent jurisdiction
- All other obligations to which the charter holder is subject to that have not been addressed by the framework's other measures

***Does Not Meet Standard:***

The charter holder has failed to comply in the manner described above; the failure(s) were material, *and* the charter holder has demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the Board.

***Falls Far Below Standard:***

The charter holder has failed to comply in the manner described above, the failure(s) were material, *and* the charter holder has not demonstrated remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the Board; *or* the charter holder has failed to comply in the manner described above and regardless of whether or not the charter holder demonstrated remedies that have resulted in compliance or prompt and sufficient movement toward compliance, the failure(s) were material or significant to the operation of the school(s).

## Appendix B

### Audit Review & Follow-up Process

The audit reporting packages are reviewed pursuant to Board [administrative rule](#) and in accordance with the Board's [Audit & Compliance Questionnaire Follow-up Matrix](#) ("audit matrix"). Each charter holder that will be operating in the next fiscal year receives a letter after the audit reporting package has been reviewed. Depending on the "impact" of the issues identified, the letter may: a) indicate the charter holder should work towards correcting the issues and that staff will monitor for repeated issues in the next audit ("minimal impact findings"); b) indicate the audit reporting package included repeated issues that had not been addressed from the prior year's audit ("minimal impact findings"); c) require the charter holder to submit a corrective action plan ("medium impact findings"); and/or d) state that the charter holder will be placed on an upcoming agenda for possible disciplinary action ("serious impact findings"). For more information, see the "Medium and Serious Impact Findings" and "Minimal Impact Findings" sections below.

#### Medium and Serious Impact Findings

If certain noncompliance issues are identified through the audit reporting package, the audit letter notifies the charter holder that a corrective action plan must be submitted. Additionally, the audit letter may be used to request additional information from the charter holder to determine whether the issue involves noncompliance or to indicate that information from the audit reporting package has been forwarded to or will be reviewed by another entity with jurisdiction over the particular issue. In determining the "impact" level, the Board's audit review and follow-up process focuses less on how the issue was classified by the audit firm and more on what the issue is. Therefore, corrective action plans or additional information may be required to be submitted for material weaknesses, "no" answers in the compliance questionnaire, or because of information disclosed in the notes to the financial statements. The issues covered by this paragraph are considered medium impact findings.

After a medium impact finding has been identified in a charter holder's audit reporting package, the charter holder must have two "clean" audits to avoid having the issue classified as a "second time" or "third time". In accordance with the audit matrix, the third time Board staff identifies the same issue, which the first time required a corrective action plan, the issue will be considered a serious impact finding and the charter holder will be brought to the Board for disciplinary action. There are two possible exceptions to the charter holder being brought before the Board.

- In the first scenario, the audit identifies third-time fingerprinting issues. Due to the amount of time that has passed since the audit firm conducted its testing and the charter holder's ability to quickly address fingerprinting issues and return to compliance, the charter holder is not brought to the Board after third-time noncompliance has been identified. If the submitted corrective action plan identifies noncompliance with fingerprinting requirements, staff may proceed with civil penalties as permitted by A.R.S. §15-185 and addressed through the Board's civil penalties policy.
- In the second scenario, the charter holder's corrective action plan demonstrates the charter holder is currently in compliance. For example, the charter holder has submitted the corporate filings identified in the audit and has demonstrated that the current year's report has been filed.

#### **Audit Issue Areas Table**

The table below reflects the issue areas currently considered medium impact findings. If the medium impact finding is not sufficiently addressed by the charter holder, it may become a serious impact

finding. In accordance with the audit matrix, findings that have a significant impact to the students or the operation of the school, including threats to the health and safety of students and gross violations of Generally Accepted Accounting Principles (GAAP) that increase the opportunity for fraud/theft, would be considered serious impact findings too.

In the table below, the dark tan identifies an issue area that requires the submission of a corrective action plan to the Board while the light tan indicates that a corrective action plan is not required to be submitted to the Board. If, in the case of the dark tan areas, the audit firm indicates in the audit that the issue has been corrected subsequent to the testing date, then a corrective action plan (CAP) is not required. However, since the charter holder was not in compliance at the time the audit firm did its testing, the matter becomes part of the charter holder’s compliance history and is designated as a “no CAP” issue.

*The table below in no way precludes the Board from requiring corrective action plans through the audit review and follow-up process for issues identified through the audit reporting packages that are not encompassed by the areas identified below.*

	<b>Issue Description</b>	<b>Follow-up Required</b>
<b>Arizona State Retirement System</b>	The audit reporting package indicates the charter holder has not remitted all employee and employer contributions to the Arizona State Retirement System.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Attendance Record Retention</b>	The audit reporting package indicates the charter holder has not retained student attendance records as noted by statements such as, “Unable to test due to lack of attendance records” or “School did not retain sign-in/sign-out sheets”. This does not include isolated incidents, such as failure to retain one student’s withdrawal form. (See also “Instructional Hours” and “Student Attendance Matters”.)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Audit Opinion</b>	The independent auditor’s report on the charter holder’s financial statements includes a modified opinion (i.e., qualified opinion, disclaimer of opinion or adverse opinion) rather than an unqualified or “clean” opinion. Modified opinions resulting solely from the financial statements being prepared assuming the charter holder will continue as a going concern do not fall into this category. The going concern disclosure is considered under the Board’s Financial Performance Framework.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.  If the reason cited for the modified opinion is a departure from GAAP, then the issue will be considered a serious impact finding. In addition to requiring a corrective action plan, the charter holder will be placed on an agenda for Board consideration.
<b>Classroom Site Fund</b>	The audit reporting package indicates	The charter holder must submit a

	the charter holder: a) does not have sufficient cash at year-end to cover the Classroom Site Fund (CSF) cash carryover balance at year-end; b) has used CSF monies for expenses not authorized by the CSF statute; and/or c) has used CSF monies to supplant, rather than supplement, existing funding from other sources.	corrective action plan. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Corporate/ Contract Filings</b>	The audit reporting package indicates the charter holder has not made the appropriate corporate filings with the Arizona Corporation Commission or other similar bodies or the charter holder has not submitted to the Board the appropriate requests to amend its charter contract, and at the time the audit was reviewed, the filings or requests were still outstanding.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Current with Payment Plan</b>	The audit reporting package indicates the charter holder: a) has paid all audited fiscal year taxes and/or contributions to the applicable entities; b) has submitted all required reports for the audited fiscal year to the applicable entities; c) has a payment plan(s) for prior year taxes and/or contributions; <u>and</u> d) is current in making its payments under the payment plan(s). (See also "Taxes".)	The audit letter references the noncompliance. A corrective action plan is not required to be submitted to the Board. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Employment Eligibility</b>	The audit reporting package indicates the charter holder has not complied with E-Verify requirements, I-9 requirements, or both for some or all employees. (See also "Employment Eligibility CAP".)	For first-year noncompliance, the audit letter reminds the charter holder of its responsibility to comply with these requirements and provides links to additional information to assist in bringing the charter holder back into compliance. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Employment Eligibility CAP</b>	The audit reporting package identifies <u>repeated</u> noncompliance with E-Verify requirements, I-9 requirements, or both for some or all of the charter holder's employees. (See also "Employment Eligibility".)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Fingerprinting</b>	The audit reporting package indicates the charter holder has failed to properly	The charter holder must submit a corrective action plan. The noncompliance

	fingerprint its personnel and/or vendors. (See also “Fingerprinting Emergency Hire”.)	becomes part of the charter holder’s contractual and legal compliance history.
<b>Fingerprinting Emergency Hire</b>	The audit reporting package indicates the charter holder failed to comply with all requirements for hiring an individual under statute’s emergency hire provisions. For this option to be considered (rather than the “Fingerprinting” option above), the emergency hire issue must be the only fingerprinting noncompliance identified in the audit reporting package and the individual’s or individuals’ fingerprint clearance card application(s) must have been on file with the Arizona Department of Public Safety when the audit firm completed its testing.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Fiscal Matters</b>	The audit reporting package identifies possible significant weaknesses in the charter holder’s accounting practices (e.g., commingling of personal and business expenses) and/or contracting and purchasing practices (e.g., an individual and related party company paid to provide the same services), or the audit reporting package identifies fiscal matters where additional information is required to determine the charter holder’s compliance with contractual and/or statutory requirements. (See also “Internal Controls”.)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history unless, based on the additional information submitted as part of the corrective action plan, it is determined that no noncompliance existed.
<b>Information Forwarded to ADE/ESS</b>	The audit reporting package identifies possible significant noncompliance with laws relating to the education of students with disabilities (e.g., alleged falsification of documents). Generally, “no” answers in the Special Education section of the compliance questionnaires do not rise to this level.	The audit letter indicates the matter will be forwarded to Exceptional Student Services Section of the Arizona Department of Education (ADE) for review and follow-up. A corrective action plan is not required to be submitted to the Board. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Information Forwarded to Internal Revenue Service</b>	The audit reporting package identifies issues that involve the interpretation of Internal Revenue Service laws and regulations (e.g., independent contractor vs. employee).	The audit letter indicates the matter will be forwarded to the Internal Revenue Service for review and follow-up. A corrective action plan is not required to be submitted to the Board. The noncompliance becomes part of the charter holder’s contractual and legal

		compliance history.
<b>Instructional Hours</b>	The audit reporting package indicates the charter holder failed to provide the statutory minimum number of hours and/or days of instruction to students. (See also "Attendance Record Retention" and "Student Attendance Matters".)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Insurance</b>	The audit reporting package indicates the charter holder has failed to obtain or maintain the statutorily required insurance for liability and property loss.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Internal Controls</b>	The audit reporting package identifies a material weakness or significant deficiency indicating the charter holder has failed to: a) maintain documentation (e.g., invoices) supporting information entered in its accounting system; b) adequately segregate accounting responsibilities and duties among different people; or c) beginning with the fiscal year 2013 audits, perform bank reconciliations or adequately safeguard cash. (See also "Fiscal Matters".)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Internal Controls – Federal Funds (ADE)</b>	The audit reporting package identifies a material weakness or significant deficiency in one or more of the areas addressed in the "Internal Controls" category above. The difference between this category and the "Internal Controls" category is that these issues pertain to the expenditure of federal funds.	Since the issues pertain to federal funds, the audit letter indicates the ADE, as the entity responsible for sub-recipient monitoring, will follow-up with the charter holder, as necessary. A corrective action plan is not required to be submitted to the Board. The noncompliance becomes part of the charter holder's contractual and legal compliance history.
<b>Internal Controls – School District (OAG)</b>	The audit reporting package identifies a material weakness or significant deficiency in one or more of the areas addressed in the "Internal Controls" category above. The difference between this category and the "Internal Controls" category is that the charter holder, which is a school district, has received notice from the Office of the Auditor General that the school district has failed to substantially comply with the Uniform System of Financial Records.	To avoid corrective action plans having to be submitted to multiple entities and the possibility of conflicting corrective action plan requirements, the audit letter indicates the Board will monitor the charter holder's compliance through the annual audit reporting packages and, as necessary, through communications with Office of the Auditor General. A corrective action plan is not required to be submitted to the Board. The noncompliance becomes part of the charter holder's contractual and legal

		compliance history.
<b>Open Meeting Law</b>	The audit reporting package identifies significant noncompliance with Open Meeting Law requirements (e.g., meeting minutes not prepared) or raises issues that require further information (e.g., meetings held outside of Arizona). Generally, “no” answers in the Open Meeting Law section of the compliance questionnaire do not rise to this level.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Student Attendance Matters</b>	The audit reporting package identifies student attendance related matters that require additional information to determine the charter holder’s broader compliance with attendance requirements. These matters pertain to the charter holder’s policies and practices related to attendance taking, attendance reporting or both and usually involve potential systemic matters. (See also “Attendance Record Retention” and “Instructional Hours”.)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Taxes</b>	The audit reporting package indicates the charter holder has failed to comply with federal payroll or income tax requirements, state payroll or income tax requirements, and/or state unemployment contribution requirements. Specifically, the audit reporting package indicates the charter holder has: a) failed to pay the taxes or contributions due to the Internal Revenue Service, Arizona Department of Revenue and/or Arizona Department of Economic Security for the audited fiscal year, prior fiscal years or both; b) failed to submit required reports to any or all of these entities; and/or c) failed to make the required payments under a payment plan with any or all of these entities. (See also “Current with Payment Plan”.)	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.
<b>Worker’s Comp</b>	The audit reporting package indicates the charter holder has not complied with worker’s compensation requirements.	The charter holder must submit a corrective action plan. The noncompliance becomes part of the charter holder’s contractual and legal compliance history.

Under the operational framework, a charter holder whose audit reporting package identifies medium impact findings may receive a “Meets Standard” on Measure 2.a. as long as the corrective action plan requirements have been completed and all other metrics have been met.

### **Minimal Impact Findings**

For issues of noncompliance that are not considered medium impact findings or serious impact findings, Board staff tracks each issue and determines if the issue is repeated in the next year’s audit reporting package. Generally, there are two exceptions to this –issues relating to the education of students with disabilities and certain issues involving student attendance reporting.

- Students with Disabilities – The Board worked with the ADE to develop the questions included in the compliance questionnaires because the Board wanted this addressed. However, for determining a charter holder’s compliance with laws relating to the education of students with disabilities, the Board relies upon the results of reviews conducted by the ADE’s Exceptional Student Services Section.
- Student Attendance Reporting – The Board currently considers certain student attendance findings as medium impact findings (see “Attendance Record Retention”, “Instructional Hours” and “Student Attendance Matters” in the table above). A copy of each charter holder’s audit reporting package is provided to the ADE, which has a unit that is responsible for conducting attendance audits of district and charter schools. This unit uses the audit reporting packages and other information to determine which school districts and charter holders will receive an attendance audit.

If repeat minimal impact findings are identified, the audit letter includes a statement indicating that repeat issues were identified in the current audit reporting package that had not been addressed from the prior year. Under the operational framework, if a minimal impact finding is identified in three or more consecutive audits, then the charter holder would receive a “Does Not Meet Standard” on Measure 2.a.

**Arizona 2016-2017 K-8 A-F School Accountability Plan  
adopted by the State Board of Education on April 24, 2017**

<b>Category</b>	<b>Component</b>	<b>Weight</b>	<b>Points/ Percentage</b>
Proficiency	<p>Az MERIT English Language Arts and Math and AIMS Science Proficiency</p> <ul style="list-style-type: none"> <li>• 0 credit for minimally proficient (MP)</li> <li>• .6 for partially proficient (PP)</li> <li>• 1 for proficient (P)</li> <li>• 1.3 for highly proficient (HP)</li> </ul> <p>3 Years Full academic year (FAY)</p> <ul style="list-style-type: none"> <li>• 15 points for 3 years</li> <li>• 10 points for 2 years</li> <li>• 5 points for 1 year</li> </ul>	30%	30%
Growth	<p>Student Growth Percentiles on Az MERIT English Language Arts and Math (SGP)</p> <ul style="list-style-type: none"> <li>• Students are classified as low (1-33), average (34-66) or high (67-99) SGP</li> <li>• Points are awarded based on their performance level the prior year (MP, PP, P, HP) and their growth level in the current year</li> </ul>	25%	50%
	<p>Student Growth to Target on Az MERIT English Language Arts and Math (SGT)</p> <ul style="list-style-type: none"> <li>• Students are assigned a target to scale score needed to reach proficiency within 3 years or eighth grade, whichever comes first.</li> <li>• Points are awarded based on students reaching their annual target, with lower performing students reaching their target receiving the most points.</li> </ul>	25%	
English Language Learners*	<p>Proficiency on AZELLA</p> <ul style="list-style-type: none"> <li>• Based on school's percentage of students proficient compared to the state's average ELL proficiency</li> </ul>	5%	10%
	<p>Growth on AZELLA</p> <ul style="list-style-type: none"> <li>• Based on school's change in performance levels compared to the state's average change in performance levels the prior year.</li> </ul>	5%	
Acceleration/ Readiness	<p>Grades 5, 6, 7, 8 High School AzMERIT Math</p> <ul style="list-style-type: none"> <li>• Increases in students scoring proficient or higher</li> <li>• Schools achieving a proficiency rate of 25% or higher</li> </ul> <p>Decrease Grade 3 English language arts minimally proficient students</p> <ul style="list-style-type: none"> <li>• A school's current year minimally proficient percentage is less than the school's prior year minimally proficient percentage OR</li> <li>• A school's current year and prior year minimally proficient percentage equals 0</li> </ul> <p>Decrease chronic absenteeism</p> <ul style="list-style-type: none"> <li>• A school's current year chronic absenteeism percentage is less than the school's prior year chronic absenteeism percentage OR</li> </ul>	10%	10%

	<ul style="list-style-type: none"> <li>• A school's current year and prior year chronic absenteeism percentage equals 0</li> </ul> <p>Inclusion of students with high incident and low incident disabilities in general education</p> <ul style="list-style-type: none"> <li>• Schools with 7% or more of their population in special education, n count of at least 20, and with students in special education spending 80%+ of their day in the general education classroom receive points depending on the students' classification</li> </ul> <p>Improved growth of subgroups</p> <ul style="list-style-type: none"> <li>• A school's subgroup scores show improvement from the prior year's state average for the subgroup OR</li> <li>• A school's subgroup scores are equal to or better than the state's target for the subgroup.</li> </ul>		
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\*Schools with an *n* count of less than 20 ELL students are not eligible for ELL points and will have letter grades calculated based on a 90/90 scale

**Arizona 2016-2017 9-12 A-F School Accountability Plan  
adopted by the State Board of Education on April 24, 2017**

Category	Component	Weight	Points/ Percentage
Proficiency	Az MERIT English Language Arts and Math and AIMS Science Proficiency <ul style="list-style-type: none"> <li>• 0 credit for minimally proficient (MP)</li> <li>• .6 for partially proficient (PP)</li> <li>• 1 for proficient (P)</li> <li>• 1.3 for highly proficient (HP)</li> </ul> 1 Year Full academic year (FAY) <ul style="list-style-type: none"> <li>• 30 points for 1 year</li> </ul>	30%	30%
Growth	Student Growth Percentiles on Az MERIT English Language Arts and Math (SGP) <ul style="list-style-type: none"> <li>• Students are classified as low (1-33), average (34-66) or high (67-99) SGP</li> <li>• Points are awarded based on their performance level the prior year (MP, PP, P, HP) and their growth level in the current year</li> </ul>	10%	20%
	Student Growth to Target on Az MERIT English Language Arts and Math (SGT) <ul style="list-style-type: none"> <li>• Students are assigned a target to scale score needed to reach proficiency within 3 years</li> <li>• Points are awarded based on students reaching their annual target, with lower performing students reaching their target receiving the most points.</li> </ul>	10%	
English Language Learners*	Proficiency on AZELLA <ul style="list-style-type: none"> <li>• Based school's percentage of students proficient compared to the state average ELL proficiency</li> </ul>	5%	10%
	Growth on AZELLA <ul style="list-style-type: none"> <li>• Based on school's change in performance levels compared to the state's average change in performance levels the prior year.</li> </ul>	5%	
High School Graduation Rate	Cohort 2015 4-year graduation rate x .10	10	20%
	Cohort 2014 5-year graduation rate x .08	8	
	Cohort 2013 6-year graduation rate x .05	5	
	Cohort 2012 7-year graduation rate x .01	1	
College and Career Readiness	Schools self-report data report for grade 12 graduating students to generate an overall score. <ul style="list-style-type: none"> <li>• A school's College and Career Readiness (CCR) A-F Point total will be determined by averaging the CCR A-F points from that year's graduates.</li> <li>• A student who accumulates 1 Indicator Point = 7.5 CCR A-F Points, scaled to 20% weighting.</li> <li>• A student who accumulates 2 Indicator Points = 15 CCR A-F Points, scaled to 20% weighting.</li> <li>• A student who accumulates less than 1.0 Indicator points = 0</li> <li>• A student who accumulates 1 point of <b>Red</b> Indicators AND 1 point of <b>Blue</b> Indicators will generate 2 bonus CCR A-F points.</li> <li>• A school that increases the percent or has 85% of post-secondary enrollment and/or military service of prior year's graduates will generate 1 bonus point.</li> </ul>	20%	20%

Value	Indicators
1.25 Blue	Earns a Grand Canyon Diploma or International Baccalaureate Diploma
1.25 Red	Completes a CTE sequence and passes the Arizona Technical Skills Assessment for that sequence
.5 per exam Blue	Passing score on AzMERIT Algebra 2 or ELA 11
.35 per exam Blue	Meets cut score on ACT English, math, reading or science exam
.5 per exam Blue	Meets cut score on SAT English or math exam
.5 per exam Blue	Meets cut score on any AP exam
.3 Red or Blue	Completes the FAFSA
.5 per course Red	Passes a college level career pathway (CTE) course for which college credit can be earned with an A, B, or C (i.e. dual enrollment and concurrent enrollment)
.5 per course Blue	Passes a college level English, math, science, social studies, or foreign language course for which college credit can be earned with an A, B, or C (i.e. dual enrollment and concurrent enrollment)
.25 per course Red	Completes a CTE course with an A, B, or C (outside of completed sequence referenced above) –
.5 Red	Meets benchmarks for ASVAB
.5 Red	Meets benchmarks for ACT WorkKeys
.35 per exam Blue	Meets cut score on ACCUPLACER, ALEKS, COMPASS (or any nationally recognized college placement exam currently used by an Arizona institution), or Cambridge IGCSE English, reading, writing, math, social studies, science, or foreign language exam
.5 per exam Blue	Meets cut score on CLEP, Cambridge A or AS, or IB English, math, social studies, science, or foreign language exam
.5 per credential, certificate, or license Red	Earns an Industry-Recognized Credential, Certificate, or License <b>No more than one point may be awarded in this indicator.</b>
1 Red	Completes well-defined Work-Based Learning (i.e. internship) of at least 120 hours
1 Blue	Meet all 16 Arizona Board of Regents program of study requirements

\*Schools with an *n* count of less than 20 ELL students are not eligible for ELL points and will have letter grades calculated based on a 90/90 scale

## COLLEGE AND CAREER READINESS RUBRIC CREDENTIALS

### Credentials for Inclusion in A-F in the Current School Year

1. Aircraft Mechanics: FAA Certifications in Airframe Mechanic or Power Plant Mechanic
2. Automotive Collision Repair and Automotive Technologies: ASE Student Certifications (There are many different certifications, ranging from paint and refinishing to engine repair, brakes, and electrical/electronic systems.)
3. Business Management and Administrative Services: A “bundle” of certifications showing digital literacy, such as the Microsoft Office Specialist (including Excel, PowerPoint and Word)
4. Cabinetmaking, Carpentry: NCCER Carpentry/Cabinetmaking certifications
5. Cosmetology: Arizona Board of Cosmetology/ Licensed Aesthetician
6. Dental Assisting: Dental Assisting National Board certification
7. Diesel Engine Repair: ASE Medium/Heavy Truck Student Certification
8. Early Childhood Education: Child Development Associate Credential
9. Education Professions: Certifications required to work as a para-professional
10. Electronic Technologies: FCC License
11. Emergency Medical Services: National Registry of Emergency Medical Technicians/ EMT/ EMR or State of Arizona certification
12. HVAC: NCCER HVAC certifications
13. Heavy Equipment Operators: NCCER Heavy Equipment Operators
14. Laboratory Assisting: American Society of Phlebotomy Technicians or National Phlebotomy Association/Certified Phlebotomy Technician
15. Law, Public Safety and Security: Arizona Department of Public Safety/Security Guard Certificate
16. Mechanical Drafting: Autodesk Certified user, including AutoCAD
17. Nursing Services: CNA or LNA
18. Pharmacy Support Services; Pharmacy Technician Certification Board/ Certified Pharmacy Technicians
19. Therapeutic Massage: Registered Massage Therapist; Arizona State Board of Massage Therapy/ Licensed Massage Therapist
20. Welding Technologies: American Welding Society Certification (AWSC)

### SCORING

- A student would receive 0.5 points for each credential/ certificate or license earned
- A student could earn a maximum of 1.0 points in this category

15-914. Financial and compliance audits

A. The governing board of a school district that is required to comply with the single audit act amendments of 1996 (P.L. 104-156; 110 Stat. 1396; 31 United States Code sections 7501 through 7507) shall contract for at least annual financial and compliance audits of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the school district. The governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of two million dollars or more for the maintenance and operation fund pursuant to section 15-905 shall contract for an annual financial statement audit. The governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of less than two million dollars but more than seven hundred thousand dollars for the maintenance and operation fund pursuant to section 15-905 shall contract for a biennial financial statement audit. An independent certified public accountant shall conduct the audit in accordance with generally accepted governmental auditing standards. To the extent permitted by federal law, a school district that is required to participate in an annual audit pursuant to this subsection may convert to a biennial audit schedule if the previous annual audit did not contain any significant negative findings. If a biennial audit of a school district conducted pursuant to this subsection contains any significant negative findings, the school district shall convert back to an annual audit schedule. If a school district is required to convert back to an annual audit schedule pursuant to this subsection because of significant negative findings, the school district may subsequently convert to a biennial audit schedule if the previous two annual audits did not contain any significant negative findings. For the purposes of this subsection, "significant negative finding" means a finding that results in the issuance of a letter of noncompliance from the auditor general.

B. The governing board of a charter school that is required to comply with the single audit act amendments of 1996 shall contract for an annual financial and compliance audit of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the charter school.

C. A charter school that is not subject to the single audit act amendments of 1996 shall contract for at least an annual financial statement audit conducted in accordance with generally accepted governmental auditing standards. An independent certified public accountant shall conduct the audit.

D. For all audits referred to in subsections A, B and C of this section, the independent certified public accountant shall submit a uniform system of financial records compliance questionnaire to the auditor general with the applicable audit reports. The independent certified public accountant shall also send a paper copy or electronic copy of the applicable audit reports to the county school superintendent of the county where the school district is located.

E. Contracts for all financial and compliance audits and financial statement audits and the completed audits shall be approved by the auditor general as provided in section 41-1279.21. Contracts for all financial and compliance audits and financial statement audits shall comply with the rules for competitive sealed proposals as prescribed by the state board of education in section 15-213.

F. If the school district or charter school will incur costs of financial and compliance audits for the budget year, the governing board of the school district or the governing body of the charter school may increase its base support level for the budget year by an amount equal to the amount expended for the district's or charter school's financial and compliance audits in the year before the current year, increased by the growth rate as prescribed by law, subject to appropriation. In determining the amount

expended for the district's or charter school's financial and compliance audits, the school district or charter school shall include only the portion of the audit that must be paid from monies other than federal monies. The department of education and the auditor general shall prescribe a method for determining the increase in the base support level and shall include in the maintenance and operation section of the budget format, as provided in section 15-903, a separate line for financial and compliance audits expenditures.

G. Every audit contract shall include a systematic review of average daily membership, as defined in section 15-901, using methodology that is consistent with guidelines established by the auditor general. The auditor general shall consider cost when establishing guidelines pursuant to this subsection and, to the extent possible, shall attempt to minimize the cost of the review. The purpose of the review is to determine whether the average daily membership reported by the charter school or school district is in compliance with the laws of this state and the uniform systems of financial records for charter schools and school districts.

Charter Contract  
Between  
Arizona State Board for Charter Schools  
And  
Charter Holder

1. **Parties:** The Arizona State Board for Charter Schools is authorized, pursuant to Arizona Revised Statutes ("A.R.S."), Title 15, Chapter 1, Article 8, to execute a Charter Contract ("Charter") for the purpose of authorizing the establishment of charter schools that will provide a learning environment to improve pupil achievement and to provide additional academic choices for parents and pupils.
- A. This Charter is entered into between <Insert Charter Holder name> ("Charter Holder") and the Arizona State Board for Charter Schools for the purpose of establishing a charter school to operate at the site(s) listed in Paragraph 6 of this Charter.
  - B. The person authorized to sign and act on behalf of the Arizona State Board for Charter Schools is the President of the Arizona State Board for Charter Schools or its Executive Director as the President's Designee.
  - C. The person authorized to sign on behalf of the Charter Holder is XXXX ("Charter Representative").
  - D. The Charter Representative affirms as a condition of this Charter, that he/she is the above-described representative of the Charter Holder and has authority to enter into this Charter on behalf of the Charter Holder.
    - The Charter Holder must maintain a Charter Representative and provide contact information to the Arizona State Board for Charter Schools.
    - The Arizona State Board for Charter Schools shall direct all communication with regard to this Charter to the Charter Representative.
    - The Charter Representative shall respond to written communication from the Arizona State Board for Charter Schools within the timeframe specified in the communication.
  - E. Neither party to this Charter is the employee or agent of the other party.
  - F. **Attachment A**, incorporated herein by reference, is proof of the Charter Holder's legal formation if the Charter Holder is not a private person or public body.
  - G. The Charter Representative further affirms that the Charter Holder is, and will remain, in good standing with the applicable regulatory body (e.g., for an Arizona Corporation, the Arizona Corporation Commission).
  - H. **Attachment B**, incorporated herein by reference, is a true and correct copy of the Application Package of the Charter Holder, relied upon by the Arizona State Board for Charter Schools in granting this Charter.
2. **Purpose:** The Charter Holder shall operate a charter school consistent with the terms of the Charter and all applicable laws; shall achieve pupil outcomes according to the educational standards established by law and this Charter; and shall be governed and managed in a financially prudent manner.
3. **Governance:**

- A. The Charter Holder and its officers, directors, members and partners, have a duty of care for complying with the provisions of this Charter, all applicable laws, regulations, and reporting requirements.
- B. The Charter Holder shall establish and maintain a governing body for the charter school that is responsible for the policy decisions of the charter school.

**4. Operation:**

- A. The Charter Holder shall be nonsectarian in its charter school programs, admission policies and employment practices and all other operations.
- B. The Charter Holder shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.
- C. The Charter Holder shall comply with applicable federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance.
- D. The Charter Holder shall begin providing a comprehensive program of instruction within twelve months of the parties' execution of this Charter or within twenty four months of XXXXXXXX, the date on which the Arizona State Board for Charter Schools approved the charter, whichever date occurs later.
- E. The Charter Holder shall maintain records to document daily pupil attendance and shall make such records available for inspection upon request of the Arizona State Board for Charter Schools and the Arizona Department of Education.
- F. The Charter Holder shall maintain student records in accordance with the Arizona State Library, Archives and Public Records Retention Schedules.
- G. If the Charter Holder receives federal grant funds, the Charter Holder shall timely submit financial and other reports required by the Arizona Department of Education for the Charter Holder's receipt of such funds.

**5. Applicable Law:** The material and services provided by this Charter Holder under this Charter shall comply with all applicable federal, state, and local laws and shall conform, in all respects, to the educational standards contained in its application and Charter. This Charter shall be governed and interpreted in accordance with the laws of the State of Arizona.

**6. Sites:** The Charter Holder shall provide educational services, including the delivery of instruction, at the following location(s):

School Name (Grades)  
 School Address  
 City, State Zip

The Charter Holder shall maintain ownership, a lease, or other suitable agreement covering the use of all facilities, and shall ensure that the facilities comply with all applicable federal, state and local health and safety standards and other applicable laws, regulations and rules.

**7. Term of Charter:** This Charter is effective upon the signing of both parties for a term of fifteen (15) years commencing on July 1, XXXX and ending on June 30, XXXX, except as otherwise provided in this Charter and by law. The Charter may be renewed for successive periods of twenty (20) years pursuant to law.

**8. Non-Availability of Funds:** Every payment obligation of the State of Arizona under this Charter is conditioned upon the availability of funds continuing to be appropriated or allocated for the payment of such obligations. If funds are not allocated and available for the continuance of this Charter, the Arizona State Board for Charter Schools may terminate this Charter at the end of the period for which funds are available. No liability shall accrue to the Arizona State Board for Charter Schools, nor the State of Arizona, or any of its subdivisions, departments or divisions, in the event this provision is exercised, and neither the Arizona State Board for Charter Schools nor the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

**9. Charter Interpretation:**

- A. Merger: This Charter, including all of the attachments, constitutes the entire agreement of the Parties. Arizona Revised Statutes, Arizona State Board for Charter School policies, and administrative rules and regulations which may be amended from time to time during the course of the Charter, are incorporated into this Charter, along with any amendments which may occur during the term of the Charter, by this reference.
- B. Waiver: Either party's failure to insist on strict performance of any term or condition of the Charter shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
- C. Severability: The provisions of this Charter are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Charter.
- D. Assignment: Neither party may assign or transfer any right or interest in this Charter unless authorized by law. No assignment, transfer or delegation of any duty of the Charter Holder shall be made without prior written permission of the Arizona State Board for Charter Schools.

**10. Amendments to the Charter and Changes to the Charter Holder:**

- A. This Charter may be amended or modified by mutual agreement, in writing, of the parties. Charter amendments and modifications requiring prior written approval by the Arizona State Board for Charter Schools shall be posted on its website as an Amendment or Notification Request. The Charter Holder shall not take action or implement the modification requested in the amendment or notification until approved by the Arizona State Board for Charter Schools. All amendment and notification requests shall be submitted pursuant to the procedures or rules formulated by the Arizona State Board for Charter Schools. Charter modifications that are not posted on the website may be implemented without the approval of the Arizona State Board for Charter Schools. A technological problem or failure that temporarily prevents the use of all or part of the website does not preclude the Charter Holder from complying with this paragraph.
- B. Any change in the ownership of the Charter Holder, change in the name of the Charter Holder, or change in officers, directors, members or partners of the Charter Holder must be submitted to the Arizona State Board for Charter Schools pursuant to the procedures or rules formulated by the Arizona State Board for Charter Schools.

**11. Insurance:** The Charter Holder shall obtain and maintain insurance in accordance with the laws of the State of Arizona.

Waiver of Rights: The Charter Holder and its insurers providing the required coverage shall waive all rights of recovery against the State of Arizona and the Arizona State Board for Charter Schools and the Department of Education, their agents, officials, assignees and employees.

**12. Indemnification and Acknowledgements:** The Charter Holder shall indemnify, defend, save and hold harmless the Arizona State Board for Charter Schools, the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees (“Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (“Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Charter Holder or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such Charter Holder to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree that is applicable to the Charter Holder. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the Charter Holder from and against any and all claims. It is agreed that the Charter Holder will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Charter, the Charter Holder agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Charter Holder for the State of Arizona.

- A. The parties acknowledge that neither the Arizona State Board for Charter Schools, the State of Arizona, or its agencies, boards, commissions or divisions are liable for the debts or financial obligations of a charter school or persons or entities that operate charter schools.
- B. The parties acknowledge that, pursuant to law, the Arizona State Board for Charter Schools, its members, officers and employees are immune from personal liability for all acts done and actions taken in good faith within the scope of its authority.

**13. Academic Performance Indicators and Evaluation:** The Charter Holder shall:

- A. Provide a comprehensive program of instruction that aligns with the state academic standards prescribed by the Arizona State Board of Education for the grades approved to operate.
- B. Design a method to measure pupil progress toward pupil outcomes adopted by the Arizona State Board of Education pursuant to A.R.S. §15-741.01, including participation in the State required assessments and the nationally standardized norm-referenced achievement test as designated by the Arizona State Board of Education.
- C. Meet or demonstrate sufficient progress toward the academic performance expectations set forth in the performance framework as adopted and modified periodically by the Arizona State Board for Charter Schools.

**14. Financial Requirements:**

- A. The Charter Holder shall comply with the same financial and electronic data submission requirements as a school district, including the Uniform System of Financial Records for Charter Schools (USFRCS) as prescribed in A.R.S. Title 15, chapter 2, article 4, procurement rules as prescribed in A.R.S. §15-213 and audit requirements as prescribed in A.R.S. §15-914 unless specifically excepted by the Arizona State Board for Charter Schools. If the Charter Holder has received an exception to the USFRCS and/or procurement rules, the Charter Holder shall, at a minimum, follow accounting policies and procedures that comply with Generally Accepted Accounting Principles (GAAP). This includes using an accounting system that provides for the proper recording and reporting of financial data and following standard internal control procedures. In addition, the

Charter Holder shall contract for at least an annual financial statement audit that meets the following conditions:

- It is conducted by an independent certified public accountant; and
- It complies with policies adopted by the Arizona State Board for Charter Schools.

B. The Charter Holder shall pay debts as they fall due or in the usual course of business.

C. The Charter Holder shall not commit or engage in gross incompetence or systematic and egregious mismanagement of the school's finances or financial records.

- 15. Review, Evaluation and Investigative Teams, Audits and Records:** The Charter Holder shall allow representatives from the Arizona State Board for Charter Schools, Arizona Department of Education, and/or the Arizona Auditor General to visit each school site at any reasonable time.

The Charter Holder shall allow the representatives to conduct financial, program or compliance audits and shall hold open for inspection all records, documents and files relating to any activity or program provided by the Charter Holder relating to the charter school or by the charter school. Pursuant to A.R.S. § 35-214, all books, accounts, reports, files and other records relating to this Charter shall be subject, at all reasonable times, to inspection and audit by the State for five years after termination of the Charter.

- 16. Length of School Year:** The Charter Holder shall provide instruction for no less than the number of days required by statute or as stated in the Application, whichever is greater, and meet the minimum number of hours of instruction required by statute. The Charter Holder must provide instruction as stated in this paragraph within the State of Arizona's fiscal year that begins July 1st and ends June 30th.

- 17. Termination or Non-Renewal of the Charter:** The Arizona State Board for Charter Schools may revoke or not renew the Charter for any material breach of the Charter and/or violation of state, federal or local laws, ordinances or rules or regulations; for conditions which threaten the health, safety, or welfare of the students or staff of the school or of the general public; or as provided by law.

- 18. Employees and Contractors:** This Charter is not an employment contract. No officer, employee, agent, or subcontractor of the Charter Holder or the School is an officer, employee, or agent of the Arizona State Board for Charter Schools or the State of Arizona.

- 19. Non-Discrimination:** As a required state contract provision, the Charter Holder shall comply with State Executive Order No. 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state employment laws, rules and regulations, including the Americans with Disabilities Act. The Charter Holder shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

- 20. Conflict of Interest:** Pursuant to A.R.S. §38-511, the State of Arizona ("State"), its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. A cancellation made pursuant to this provision shall be effective when the Charter Holder receives written notice of the cancellation unless the notice specifies a later time.

- 21. Fingerprints:** The Charter Holder shall comply with the requirements of A.R.S. §15-183 (C).
- A. The Charter Holder shall fingerprint check its charter school governing body members pursuant to A.R.S. §15-512 and submit all changes in members through the process stated in Paragraph 10. A fingerprint check must be conducted for each new governing body member.
  - B. The Charter Holder must maintain valid fingerprint clearance cards on all officers, directors, members, and partners of the Charter Holder and submit all changes in officers, directors, members, and partners through the process stated in Paragraph 10.
- 22. Notices:** Any notice required, or permitted, under the Charter shall be in writing and shall be effective immediately upon personal delivery, upon receipt of electronic mail, or three (3) days after mailing to the following:

<p><b>Charter Holder:</b>          &lt;Insert Charter Representative Name&gt;          Charter Representative          Charter Holder          Address _____          City, State Zip _____</p>	<p><b>Arizona State Board for Charter Schools:</b>          &lt;Insert Executive Director Name&gt;          Executive Director          Arizona State Board for Charter Schools          P.O. Box 18328          Phoenix, AZ 85009</p>
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The Arizona State Board for Charter Schools may make changes in the address of its contact person by posting the change(s) on its website.

- 23. Special Education Training:** Prior to the Charter Holder's provision of educational instruction under this Charter, the Charter Representative shall attend the full-day Special Education Training for Newly Chartered Schools sponsored by the Arizona Department of Education, Exceptional Student Services.
- 24. Release of Funding:** A Charter Holder may not receive state equalization funding until a current certificate of occupancy, fire inspection report, and county health permit for educational use are provided for each site listed in Paragraph 6 (and each site subsequently approved by the Arizona State Board for Charter Schools). A Charter Holder may not receive state equalization funding until documentation has been provided to the Arizona State Board for Charter Schools that the Charter Representative has attended the Special Education training stated in Paragraph 23.

**CHARTER HOLDER NAME**

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 20XX.

By \_\_\_\_\_  
 XXXXX, Charter Representative for XXXXX

**ARIZONA STATE BOARD FOR CHARTER SCHOOLS**

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 20XX.

By \_\_\_\_\_  
 XXXXX, Executive Director of the Arizona State Board for Charter Schools.



Arizona Department of Education  
Charter Schools Program

## **AZCSP Risk Assessment Framework**

### **2 CFR Chapter I, and Chapter II, Parts, 200, et.al.**

*200.18 "...the Federal agency retains a direct relationship only with a direct recipient, and relies on the pass-through entity to oversee the subaward."*

This document does not replace nor supersede the Arizona Charter Schools Program Monitoring procedures. It is a supplement to them.

#### **Risk Assessment Process:**

The Arizona Charter Schools Program (AZ CSP) has adopted an internal risk assessment process for monitoring both the financial and academic performance of subgrantees. The purpose of this risk assessment is the following:

1. To identify and help subgrantees which are at risk of not meeting the goals described in their original application;
2. To create a valid and reliable process for requesting corrective action plans from underperforming subgrantees;
3. To create a valid, reliable and defensible mechanism to place an underperforming subgrantee in the following process:

80.12 Special grant or subgrant conditions for "high-risk" grantees.

(a) A grantee or subgrantee may be considered "high risk" if an awarding agency determines that a grantee or subgrantee:

- (1) Has a history of unsatisfactory performance, or
- (2) Is not financially stable, or
- (3) Has a management system which does not meet the management standards set forth in this part, or

(b) Special conditions or restrictions may include:

- (1) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period.

(c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of:

- (1) The nature of the special conditions/restrictions;
- (2) The reason(s) for imposing them;
- (3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions and
- (4) The method of requesting reconsideration of the conditions/restrictions imposed.

### **Process Mechanisms:**

AZ CSP had developed a multi-fold process to assess risk posed by awarded subgrantees which are falling behind the goals stated in their AZ CSP application.

#### *AZ CSP Risk Assessment Template*

This template is for monitoring within a subgrantee's current project year: The Template is based on the rubrics set forth in the three sections of the *Arizona Charter School Program Monitoring Handbook*. The Template is divided into three sections which match the Monitoring Handbook. The AZ CSP staff has assigned weights to those criteria which could be quantitatively scored in Sections A and B. The weights were determined by order of importance. The weights are identified in the Weighted Score Template column. Compliance criteria in Sections A and B and all of Section C are scored either Met or Not Met.

Cut Scores: The maximum score for qualitatively scored section is 110.

- I. The cut score for requiring a subgrantee to create a Performance Management Plan is 80. Subgrantees are given areas which be must be addressed. The PMP must be returned within 30 days. Failure to comply could lead to a Corrective Action Plan and subsequent designation of At Risk status.
- II. The cut score for requiring a subgrantee to create a Corrective Action Plan is 70. Subgrantees are given areas which be must be addressed. The CAP must be returned within 30 days. During that time, any and all request for funds must be pre-approved by AZ CSP. Failure to comply could lead to a Corrective Action Plan and subsequent designation of At Risk status.
- III. Subgrantees with score below 65 are immediately determined to be At Risk. Their funds are placed on Administrative Hold. Subgrantees are given areas which be must be addressed. The CAP must be returned within 30 days. An AZ CSP staff member will monitor regularly to see evidence of CAP implementation.

Compliance Cut Scores:

- I. Section A, Element 3 is review of the subgrantee's charter to insure its alignment with US Department of Education Charter Schools Program law [ESEA part B, 5201, et. al]. Subgrantees which did not meet 100% of compliance criteria would be immediately placed in At Risk status.
- II. Section B, Element 1.4 is Special Education policy review. Failure to comport with IDEA would place the subgrantee out of compliance with federal and state law as well as the Arizona State Board for Charter Schools. The subgrantee would be immediately placed in At Risk status and an Administrative Hold placed on its funds. If the subgrantee cannot correct identified problems with 30 days, AZ CSP will move to have the grant suspended.
- III. Section C, Indicators 1-4 monitors the finance operations to insure that the subgrantee has sound principles of financial procedures and accountability.

Subgrantees which did not meet 80% of compliance criteria would be immediately placed in At Risk status. If schools cannot correct identified problems with 30 days, AZ CSP will move to have the grant suspended indefinitely.

### *External Measures*

In addition to its own monitoring, AZ CSP uses the following:

- I. Arizona State Board for Charter Schools' *Academic Performance Framework* (Revised June 13, 2016)
  - a) The purpose of the Academic Performance Framework is to communicate the State Board for Charter Schools' academic expectations for ensuring that all Charter Holders in its portfolio are providing a learning environment where measurable improvement in pupil achievement can be demonstrated. The academic framework focuses purposefully on quantitative academic outcomes as a basis for analysis to be used in high-stakes decisions. The academic framework is organized by indicators, measures, metrics and targets. Each measure will be assigned one of four ratings, unless insufficient data is available. Each rating is weighted for the calculation of an Overall Rating.
  - b) The Overall Rating Dashboard is published annually following the release of state assessments.
    - i. Subgrantees which do not meet a dashboard minimum level of sixty-nine (69) points out of one hundred (100) possible points are required to submit a Performance Management Plan (if one has not already been requested).
    - ii. Subgrantees which do not meet a dashboard minimum level of thirty-nine (39) points out of one hundred (100) possible points are required to submit a Corrective Action Plan in the same manner as the Risk Assessment Process.
- II. Arizona State Board for Charter Schools Financial Performance Framework (Revised June 13, 2016)
  - a) The purpose of the Financial Performance Framework is to communicate the Arizona State Board for Charter Schools' expectations for ensuring that all charter holders in its portfolio are viable organizations with strong fiscal management practices. The financial framework gauges both near-term financial health and longer term financial sustainability.
  - b) The State Board's Overall Rating Dashboard is published annually following the release of state required financial and operations audit.
    - i. Subgrantees which Do not Meet 66.7% of the of the dashboard's Near-Term Indicator and one third of the dashboard's Stability Indicators ratings are required to submit a Performance Management Plan (if one has not already been requested).

- ii. A corrective action plan is required if the subgrantee falls into one or both of the following categories:
  - Independent Auditor's Report for the most recent annual audit reporting package includes an explanatory paragraph and disclosure is included in notes to the financial statements;
  - Disclosure included in notes to the financial statements for the most recent audit reporting package, but no modification to Independent Auditor's Report.
- c) Subgrantees report to AZ CSP in the same manner as the Risk Assessment Process.

## A. Governance / Leadership

Element 1	The governing authority creates and monitors the strategic plan.				Score	Weight	Weighted Points Max	Weighted Score	
Indicator		Highly Effective (4)	Effective (3)	Developing (2)	Ineffective (1)				
Criteria	1.1					4	1	5	5
	1.2					4	3	15	15
	1.3					4	2	10	10
								30	30
Element 2	The school leadership team executes the strategic plan effectively.								
Indicator		Highly Effective (4)	Effective (3)	Developing (2)	Ineffective (1)				
Criteria	2.1					4	3	12	12
	2.2					4	4	16	16
	2.3					4	2	8	8
	2.4					4	1	4	4
								40	40
Element 3	Regulatory Compliance					N/A			
Indicator		Met	Not Met	N/A					
Criteria	1								
	2								
	3								
	4								
	5								
	6								
	7								
B. Academic Program									
Element 1	The school ensures strong academic outcomes for all students.								
Indicator		Highly Effective (4)	Effective (3)	Developing (2)	Ineffective (1)				
	1.1					4	1	6.7	6.7
	1.2					4	3	20	20
	1.3					4	2	13.3	13.3
Indicator	1.4	Yes	No					40	40
	1								
	2								

<b>C. Operation</b>									
Indicator	1.1								
Criteria		Met	Not Met	N/A					
	1								
	2								
	3								
	4								
	5								
	6								
	7								
Indicator	1.2								
Criteria		Met	Not Met	N/A					
	1								
	2								
Indicator	1.3								
Criteria		Met	Not Met	N/A					
	1								
	2								
	3								
Indicator	1.4								
Criteria		Met	Not Met	N/A					
	1								
	2								
	3								
Indicator	1.5								
Criteria		Met	Not Met	N/a					
	1								
	2								
	3								
	4								
	5								
	6								
	7								



State of Arizona  
Department of Education

Arizona Charter Schools Program  
(AZ CSP)  
Monitoring Procedures for Awarded  
Schools  
Rev, 2/22/2016

Federal Regulation	34 CFR § 200.331 “Requirements for pass-through entities.”	Follow up
	<ul style="list-style-type: none"> <li>• All schools, upon their first Project Year award, receive training in the following:             <ul style="list-style-type: none"> <li>○ Arizona Department of Education Grants Management Enterprise to understand:                 <ul style="list-style-type: none"> <li>▪ Budget training and approval process;</li> <li>▪ Process to request funds;</li> <li>▪ Funding Application Revisions;</li> <li>▪ Completion Reports;</li> <li>▪ How and whom to contact regarding problems or questions.</li> </ul> </li> <li>○ The AZ CSP Monitoring Handbook to evaluate progress toward written goals:                 <ul style="list-style-type: none"> <li>▪ Business and finance requirements of the</li> </ul> </li> </ul> </li> </ul>	(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: (1) Reviewing financial and

	<p>grant;</p> <ul style="list-style-type: none"> <li>▪ Academic evaluation of the school’s progress toward its stated educational outcomes;</li> <li>▪ Governance evaluation.</li> </ul>	<p>performance reports required by the pass-through entity.  (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.</p>
Planning	Activities	Follow up
Purpose	<ul style="list-style-type: none"> <li>• Confirm the school continues to meet the federal definition of a charter school: ESEA 5210 (1) (a-l)</li> <li>• Confirm that the school is moving forward with Planning Project Year activities as defined in its application.</li> <li>• Confirm that school Planning Project Year activities and expenditures are reasonable, allocable and allowable per ESEA.</li> <li>• Observe progress in Planning Project Year toward meeting educational</li> </ul>	

	objectives defined in the school's application.	
Procedure	<ul style="list-style-type: none"> <li>• AZ CSP Awarded Schools receive various monitorings in Planning Period Year.</li> <li>• First monitoring is the personal interview and final approval of the Project Year Budget application.</li> <li>• All schools receive an onsite monitoring either at the school site (if available) or temporary office space housing the Planning operation or at ADE.</li> <li>• Final Project Year monitoring is a desk review comparing Special Payments and Cash Management withdrawals with actual personnel, services and expense/capital item expenditures.</li> <li>• All monitoring visits will also review progress toward educational objectives.</li> </ul>	<p>All transactions throughout the Project Year are reviewed by AZ CSP staff for GME approval and School Finance Division payment.</p> <ul style="list-style-type: none"> <li>• Special payments</li> <li>• Amendments</li> </ul>
Timeframe	<ul style="list-style-type: none"> <li>• Desk review and approval of amendments are completed 90 days before the end of the Project year.</li> <li>• Project Year Completion Report is reviewed within 90 after the completion of the Project year.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Project Year Budget approval takes place before release of new Project Year funds.</li> <li>• Amendment payments are reviewed per each event.</li> <li>• Onsite office review completed by</li> </ul>	

	March 31.	
Ongoing Risk Assessment	<p>In evaluating risks posed by awarded schools, the AZ CSP team will review the school’s management systems over and above the AZ CSP Monitoring Handbook for the following:</p> <p>Operations:</p> <ul style="list-style-type: none"> <li>• Finance - review school’s Income and Expense Statement and Balance Sheet most recently approved by its board using the AZ State Board for Charter Schools Financial Framework;</li> <li>• Enrollment trends to measure if the awarded school is on target to meet its enrollment cap;</li> <li>• Annual review of the mandatory state audit presented to the school’s authorizer.</li> </ul> <p>Compliance:</p> <ul style="list-style-type: none"> <li>• Review the school’s status and relationship with its Authorizer;</li> <li>• Review of school’s other federal grants for compliance;</li> <li>• Timeliness of compliance with the school’s applicable reporting requirements.</li> <li>• The applicants ability to implement statutory, regulatory or other requirements imposed on non-Federal entities, i.e. <ul style="list-style-type: none"> <li>○ Special Education Policies and Procedures.</li> <li>○ Lottery/Enrollment Policies and Procedures.</li> </ul> </li> </ul>	<p>§200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:</p> <p>(a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.</p> <p>(b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of</p>

		<p>the activity or action not in compliance.</p> <p>(c) Wholly or partly suspend or terminate the Federal award.</p> <p>(d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).</p> <p>(e) Withhold further Federal awards for the project or program.</p> <p>(f) Take other remedies that may be legally available.</p>
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Implementation	Project Year 1	Follow up
Purpose	<ul style="list-style-type: none"> <li>• Confirm that school is moving forward with Implementation activities as defined in its application.</li> <li>• Confirm that school Implementation activities and expenditures are</li> </ul>	Schools which do not open after the maximum 18 months Planning Period has expired

	<p>reasonable, allocable and allowable per ESEA.</p> <ul style="list-style-type: none"> <li>● Observe progress toward meeting educational objectives defined in the school’s application.</li> </ul>	<p>will be deemed At Risk and their funds will be placed on Administrative Hold.</p>
<p>Monitoring Personnel and Their Qualifications</p>	<ul style="list-style-type: none"> <li>● Program and compliance monitors shall consist of the following qualified personnel: <ul style="list-style-type: none"> <li>○ ADE AZ CSP Program Staff with state and federal program management and policy experience;</li> <li>○ ADE Grants Management Enterprise Federal Monitor with training and minimum one-year’s federal audit experience;</li> <li>○ External contractor(s) with previous charter monitoring experience at the state or school district policy level; i.e. Arizona State Board for Charter Schools or a school district federal program officer. <ul style="list-style-type: none"> <li>▪ State agency or school district potential candidates shall present qualifications to AZ CSP staff previous to contracting work.</li> <li>▪ Contractor files are retained by AZ CSP and ADE Procurement.</li> <li>▪ ADE personnel records are maintained by the Human Resources Unit.</li> </ul> </li> </ul> </li> </ul>	

<p>Procedure</p>	<ul style="list-style-type: none"> <li>• AZ CSP Awarded Schools receive minimum of two onsite monitoring visits and various desk monitorings based on amendment and special payment events in its first Implementation Year.</li> <li>• The first onsite monitoring is to observe the school’s educational and operational activities including classroom observations, student learning environment, teacher planning and preparation. This monitoring may take place in two parts with two separate visits: 1) an observation to review the school and classroom dynamic. 2) A formal review based on the AZ CSP Monitoring Handbook documenting key academic procedures.</li> <li>• The second monitoring is an onsite visit to conduct financial, operational and educational monitoring using the AZ CSP Monitoring Handbook. (In some instances the order of academic and operation monitoring may be reversed.)</li> <li>• Both monitoring visits will also review progress toward educational objectives.</li> </ul>	<p>Follow up to first visit may include the following:</p> <ul style="list-style-type: none"> <li>• Document visit describing operations observed for permanent record and school copy.</li> <li>• Provide list of online quality academic and operational resources.</li> <li>• Provide technical assistance to improve operational compliance</li> <li>• Provide technical assistance to improve instruction and instructional planning.</li> </ul> <p>Follow up to second visit may include the following:</p> <ul style="list-style-type: none"> <li>• Immediate follow up of previous</li> </ul>
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		<p>unresolved issues;</p> <ul style="list-style-type: none"> <li>• Corrective Action Plan issued to be completed and approved by the school's Governing Body within a defined period.</li> </ul>
Timeframe	<ul style="list-style-type: none"> <li>• Onsite reviews completed by March 31.</li> <li>• Final reconciliation of the school's Completion Report with its General Ledger by June 30.</li> <li>• Review schools final academic data based on state mandated assessments by August 1.</li> </ul>	

Implementation	Project Year 2	Follow up
Purpose	<ul style="list-style-type: none"> <li>• Confirm that school is moving forward with Implementation activities as defined in its application.</li> <li>• Confirm that school Implementation activities and expenditures are reasonable, allocable and allowable per ESEA.</li> <li>• Track and analyze student data toward meeting AZ CSP grant outcomes.</li> </ul>	Schools which do not open after the maximum 18 months Planning Period has expired will be deemed At Risk and their funds will be placed on Administrative Hold.

<p>Procedure</p>	<ul style="list-style-type: none"> <li>• AZ CSP Awarded Schools receive minimum of two onsite monitoring visits and various desk monitorings based on amendment and special payment events in its second Implementation Year.</li> <li>• The first onsite monitoring is to observe the school’s educational and operational activities including classroom observations, student campus environment, teacher planning and preparation for second formal monitoring using the AZ CSP Monitoring Handbook. This monitoring may take place in two parts with two separate visits: 1) an observation to review the school and classroom dynamic. 2) A formal review based on the AZ CSP Monitoring Handbook documenting key academic procedures. This monitoring will also include a comprehensive review of school governance and leadership. It may be necessary for an additional visit to complete this latter portion of the monitoring.</li> </ul> <p>The second monitoring is an onsite visit to conduct financial, operational and educational monitoring using the AZ CSP Monitoring Handbook. (In some instances the order of academic and operation monitoring may be reversed.)</p>	<p>Follow up to first visit may include the following:</p> <ul style="list-style-type: none"> <li>• Document visit describing operations observed for permanent record and school copy.</li> <li>• Provide list of online quality academic and operational resources.</li> <li>• Provide technical assistance to improve operational compliance</li> <li>• Provide technical assistance to improve instruction and instructional planning.</li> </ul> <p>Follow up to second visit may include the following:</p> <ul style="list-style-type: none"> <li>• Immediate follow up of previous</li> </ul>
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		<p>unresolved issues</p> <ul style="list-style-type: none"> <li>• Corrective Action Plan to be completed and approved by school's Governing Body within a defined period.</li> </ul>
<p>Timeframe</p>	<ul style="list-style-type: none"> <li>• Onsite reviews completed by March 31.</li> <li>• Final reconciliation of the school's Completion Report with its General Ledger completed by June 30.</li> <li>• Review schools final academic data based on state mandated assessments available by August 1.</li> <li>• Review of high school graduation and dropout rates and data become available by August 1, twelve months after senior class graduates.</li> </ul>	

# AZ Charter School Program

Monitoring Handbook



(f) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the

## A. Governance/Leadership

Element 1- The governing authority creates and monitors the strategic plan.

Indicator 1.1 – The governing authority demonstrates efforts to maintain the succession plan for governing board members and key school leadership to sustain the school’s mission.

√	Status	Description
	Ineffective	The governing authority has not developed a succession plan for board members and key school leaders.
	Developing	The governing authority has developed a succession plan for board members and key school leaders but lacks sustainability.
	Effective	The governing authority has a sound succession plan for governing board members and key school leaders who are advocates for the school’s mission and improvement efforts.
	Highly Effective	The governing authority has a sound succession plan for governing board members and key school leaders who are advocates for the school’s mission and improvement efforts. The plan provides opportunities for professional growth for leaders to sustain the school’s mission.
Key Questions		Artifacts Reviewed
1. Does the membership of the board represent the broad cross-section of skills (finance, legal, academic, governance, facilities) to govern effectively?		
2. Does the governing authority have a targeted recruitment plan for its membership?		
3. Does the governing authority have a formal and transparent process for nominating and selecting new members?		
4. Does the governing authority consistently adhere to its formal nominating and selection process?		
5. Has the governing authority developed		

a formal assessment process to determine whether a candidate has the skill set, necessary time, philosophical alignment with the school, and temperament to serve as a member?	
6. Do the governing board members receive comprehensive training to help them be more effective?	

Sample artifacts to be reviewed

- Résumé or biographies of board members
- Policies and procedures for nominating and selecting members; member recruit plan
- Minutes from meetings documenting adherence to the nominating and selection process
- Standard list of interview questions asked of all candidates
- Numerical score sheet for evaluating candidates
- Governing authority training plan

Indicator 1.2 – The governing authority demonstrates efforts to monitor student achievement and determine the school’s progress toward achieving the objectives of the school.

√	Status	Description
	Ineffective	The school has not developed an assessment system to monitor student achievement.
	Developing	The school has developed an assessment system to monitor student achievement. Either the system does not yield timely, accurate, meaningful, and useful information or the leadership team does not use the information to determine the school’s progress toward achieving the objectives of the school.
	Effective	The school has developed a comprehensive assessment system to monitor student achievement and uses timely, accurate, meaningful, and useful information provided by the system to determine the school’s progress toward achieving the objectives of the school and evaluate the effectiveness of the school academic operation.
	Highly Effective	The school has developed a comprehensive assessment system to monitor student achievement and uses timely, accurate, meaningful, and useful information to determine the school’s progress toward achieving the objectives of the school and evaluate the effectiveness of the school academic operation. The system is a formalized and systematic process to provide directions, assistance, and resources to align, support, and enhance all parts of the system to improve student success.

Key Questions	Artifacts Reviewed
1. Does the school translate the mission and vision statements into SMART goals that address the learning of all students in all content areas?	
2. Does the school have an assessment system that provides reliable and valid data to determine student achievement and success?	
3. Is there a system in place to collect, analyze and report student achievement data to the governing authority in a clear, consistent and timely manner?	
4. Does the school use data to determine if sufficient progress is being made and determine changes in program, instructional strategies or intervention?	
5. Has the governing authority developed an evaluation process to measure the school leader's performance?	
6. Does the evaluation process include the setting of clear performance goals for the school leader aligned with the objectives of the school?	

Sample artifacts to be reviewed

- SMART goals established by grade and content that addresses student achievement for all students
- Formative and summative assessments
- Evidence of data analysis, e.g., graphs and charts displaying results of student assessments, aggregated data, etc.
- Evidence of reliability and validity of assessments and data e.g., research reports, item analysis statistics, etc.
- Documentation that the board has a clear and consistent method of monitoring progress toward established goals
- Governing authority meeting agenda and minutes to review student achievement data
- School leader performance evaluation process and procedures
- Documentation demonstrating that annual performance reviews occurred

Indicator 1.3 – The governing authority demonstrates efforts to develop an organizational structure.

√	Status	Description
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	Ineffective	The governing authority has not developed an organizational structure.
	Developing	The governing authority has developed an organizational structure but lacks clarity.
	Effective	The governing authority has developed an organizational structure. The reporting structure within the organization ensures the decisions and actions in accordance with defined roles and responsibilities of the governing body.
	Highly Effective	The governing authority has developed an organizational structure. The reporting structure within the organization ensures the decisions and actions in accordance with defined roles and responsibilities of the governing body. The succession plan and organizational structure are consistent within the organization.
Key Questions		Artifacts Reviewed
1. Does the governing authority have a comprehensive set of bylaws?		
2. Is there a job description for the governing authority as a whole and for each officer position?		
3. Has the governing authority developed a reporting structure?		
4. Does the governing authority consistently adhere to its reporting structure?		

Sample artifacts to be reviewed

- Bylaws; Organizational structure chart
- Job description for the governing authority and officer positions
- Succession plan
- Policy review process
- Governing authority meeting agendas and minutes; reporting structure

**A. Governance/Leadership**

Element 2- The school leadership team executes the strategic plan effectively.

Indicator 2.1 – The school leadership team demonstrates efforts to monitor and evaluate student performance and school effectiveness.

√	Status	Description
	Ineffective	The school leadership team has not developed a mechanism to monitor and evaluate student performance and school effectiveness.
	Developing	The school leadership team has developed inadequate mechanism to monitor and evaluate student performance and school effectiveness.

	Effective	The school leadership team has developed an interconnected mechanism to monitor and evaluate student performance and school effectiveness.
	Highly Effective	The school leadership team has developed and described multiple mechanisms to monitor and evaluate student performance and school effectiveness.
Key Questions		Artifacts Reviewed
1.	Does the school leader use multiple objective metrics to determine school success (i.e. assessment results, graduation rates, student retention rates, survey, etc.)?	
2.	Does the school leader ensure that what is taught and what is assessed are aligned?	
3.	Does the school leader review assessment results with staff on a regular basis?	
4.	Does the school leader analyze data and adjust education programs systematically in response to data?	
5.	Are intervention programs documented and are the successes backed up by data?	
6.	Does the school leader ensure alignment each time when reviewing or revising curriculum, instruction, and assessments?	

Sample artifacts to be reviewed

- Formative and benchmark assessments
- Evidence of intervention planning based on data analysis
- Summary graphs and charts displaying results of student assessments
- Agenda and meetings minutes between teachers and leaders that demonstrate discussion around student academic achievement
- Documentation of intervention programs
- Analysis of intervention effectiveness
- Curriculum map, instructional strategies identified by grade level and content area
- Curriculum, instruction, and assessments reviewed report and revised materials
- School leader reports to the governing authority on school’s progress toward achieving the objectives

Indicator 2.2 – The school leadership team demonstrates efforts to monitor instructional

practices, provide feedback, and make available opportunities for professional development.

√	Status	Description
	Ineffective	The school leadership team has not developed a system to monitor and evaluate instructional practices.
	Developing	The school leadership team has developed inadequate system to monitor and evaluate instructional practices that provides neither analysis nor feedback to further design professional development.
	Effective	The school leadership team has developed a system to monitor and evaluate instructional practices. The system provides analysis and feedback to further design professional development.
	Highly Effective	The school leadership team has developed a comprehensive system to monitor and evaluate instructional practices. The system provides for data analysis and feedback which create multiple opportunities for professional development.

Key Questions	Artifacts Reviewed
1. Has the school leader provided ample daily instructional time to support student learning and ample time to support teacher in planning, collaboration, and reflection?	
2. Are teachers given access to ample instructional resources?	
3. Does the leader regularly monitor the effectiveness of teaching staff?	
4. Does the leader regularly evaluate the effectiveness of teaching staff?	
5. Has the school leader provided ample resources and learning opportunities for teaching staff to improve effectiveness?	
6. Has the school leader established a uniform code of conduct throughout the school that supports quality teaching and learning?	
7. Has the school leader developed a written professional development plan for instructional improvement based on multiple sources of data?	

Sample artifacts to be reviewed

- School daily, weekly, yearly schedule
- Instructional resources available for teachers
- Teacher evaluation instruments and process
- Record of internal and external professional learning opportunities

- School wide instructional improvement plan
- Professional development plan

Indicator 2.3 – The school leadership team demonstrates efforts to engage leaders and instructional staff members in reflective self-assessment and school-wide assessment to identify areas for continuous improvement that aligns with the school’s mission.

√	Status	Description
	Ineffective	The school leadership team has not yet developed an ongoing process for continuous improvement.
	Developing	The school leadership team has developed inadequate ongoing process for continuous improvement. New improvement efforts are not informed by the results of earlier efforts through reflection and assessment.
	Effective	The school leadership team has developed an ongoing process for continuous improvement. New improvement efforts are informed by the results of earlier efforts through reflection and assessment.
	Highly Effective	The school leadership team has developed a collaborative and ongoing process for continuous improvement. New improvement efforts are informed by the results of earlier efforts through reflection and assessment that are sustained and aligned with the school’s mission.
Key Questions		Artifacts Reviewed
1. Does the school leader engage in reflective self-assessment and school-wide assessment?		
2. Is this assessment ongoing or based on isolated events and/or timeframes?		
3. Does the school leader include teachers and staff in the assessment process?		
4. Is the school leader responsive to feedback and data gathered from assessments?		
5. Does the leader translate results from the assessments into articulated improvement plans?		
6. Does the school leader collaboratively develop plans to address identified needs and engage others in the implementation of the planned improvements?		

Sample artifacts to be reviewed

- Self and school-wide assessment results

- Dated documents or timelines provided that indicated when the assessments were administered
- Policies or procedures documentation to teachers indicating the leaders expectations for participating in the assessment process
- Correspondence with staff, staff meeting agendas indicating the involvement of other stakeholders in the assessment process and solicitation of feedback
- Surveys and analysis of results
- School-wide improvement plan; Evidence of implementation of the plan

Indicator 2.4 – The school leadership team demonstrates efforts to recruit, select, and hire quality educators.

√	Status	Description
	Ineffective	The school leadership team has not yet developed strategies and criteria to recruit, select, and hire qualified educators.
	Developing	The school leadership team has developed strategies and criteria but inadequate to recruit, select, and hire qualified educators.
	Effective	The school leadership team has developed a system with strategies and criteria to recruit, select, and hire qualified educators.
	Highly Effective	The school leadership team has developed a comprehensive system to recruit, select, and hire qualified educators to implement adopted curriculum and instructional practices effectively.

Key Questions	Artifacts Reviewed
1. Does the school leadership team have an annual recruitment plan for qualified educators?	
2. Does the school leadership team have a clearly specified set of criteria to select qualified educators?	
3. Does the school have a HR process to hire qualified educators?	

Sample artifacts to be reviewed

- Recruitment plan
- Interview questionnaire and selection criteria
- Hiring process

## A. Governance/Leadership

Element 3- Regulatory Compliance

**Indicator 3.1 - The grant recipient meets the federal definition of the term "charter school."**

Criteria	Status	Artifacts Reviewed
<p>1. The school has an approved charter contract from its state approved authorizer.</p> <p>Date contract signed: _____</p>	Met	
	Not Met	
	N/A	
<p>2. The authorizer of the awarded schools shall make available to the public its authorization policies which include a financial and academic performance framework and polices for reauthorizing its schools primarily based on student achievement toward state mandated goals and assessments.</p>	Met	
	Not Met	
	N/A	
<p>3. The school application clearly states that the charter school is a tuition free public school and meets the federal definition of a charter school ESEA Part B 5210:</p> <p>A) in accordance with a specific State statute authorizing the granting of charters to schools, is exempt from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;</p> <p>(B) is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;</p> <p>(C) operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;</p> <p>(D) provides a program of</p>	Met	
	Not Met	
	N/A	

<p> elementary or secondary education, or both;  (E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;  (F) does not charge tuition;  (G) complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;  (H) is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;  (I) agrees to comply with the same Federal and State audit requirements as do other elementary schools and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program;  (J) meets all applicable Federal, State, and local health and safety requirements;  (K) operates in accordance with State law; and  (L) has a written performance contract with the authorized public chartering agency in the State that includes a </p>		
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description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.		
4. All items purchased with AZ CSP funds only benefit the students attending the charter school receiving the AZ CSP award.	Met	
	Not Met	
	N/A	
5. The school's governing body shall have written Conflict of Interest policies that conform to 2 <i>CFR</i> § 200.112	Met	
	Not Met	
	N/A	
6. The charter school complies with the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and Part B of the IDEA.	Met	
	Not Met	
	N/A	
7. The charter school has created a communication network with parents and community and avenues for parent involvement in the life of the school.	Met	
	Not Met	
	N/A	

Sample artifacts to be reviewed

- Approved charter contract
- School application
- Lottery policy
- School policy manual

## B. Academic Program

Element 1– The school ensures strong academic outcomes for all students.

Indicator 1.1 – The school has an articulated curriculum aligned with the school's purpose and Arizona Standards.

√	Status	Description
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Ineffective	The school has not developed a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum based on clearly defined and measurable expectations for student learning.
Developing	The school has developed a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum. The system lacks cohesiveness or alignment with school's purpose.
Effective	The school has developed a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum based on clearly defined and measurable expectations for student learning. The system demonstrates evidence of alignment between the curriculum and the school's purpose with systematic implementation across the school.
Highly Effective	The school has developed a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum based on clearly defined and measurable expectations for student learning. The system demonstrates a formalized process of alignment with the curriculum and the school's purpose with systematic and sustainable implementation across the school.

Key Questions	Artifacts Reviewed
1. Is the curriculum, as described in the CSP application, aligned with Arizona Standards based on clearly defined and measurable expectations for student learning?	
2. Do the curriculum materials provide a scope and sequence for instruction throughout the year?	
3. Are teachers' lesson plans aligned to Arizona Standards, school curriculum, pacing, and the essential learning outcomes?	
4. Does the school evaluate the effectiveness, efficiency, and equity of the curriculum?	
5. Is there a process in place to review and revise curriculum materials based on student progress?	
6. Does the school have an improvement plan that addresses curriculum, instruction, and assessment?	

Sample artifacts to be reviewed

- Curriculum map; course of study
- Teacher lesson plans
- Class observation records

- Instructional materials and supplementary materials utilized by teachers
- Curriculum review report
- Revised curriculum materials

Indicator 1.2 – The school has an instructional design system that is aligned with the school’s purpose and curriculum (aligned with Arizona Standards).

√	Status	Description
	Ineffective	The school has not yet developed a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices.
	Developing	The school has developed a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices. The system lacks alignment with the curriculum and school’s purpose.
	Effective	The school has developed a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices. The system demonstrates evidence of alignment with the curriculum and the school’s purpose with systematic implementation across the school.
	Highly Effective	The school has developed a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices. The system demonstrates a formalized process of alignment with the curriculum and the school’s purpose with systematic and sustainable implementation across the school.

Key Questions	Artifacts Reviewed
1. Has the school identified and adopted research-based instructional methodologies, as described in the CSP application, aligned with the curriculum to increase student achievement?	
2. Do teachers’ lesson plans reflect adopted instructional methodologies?	
3. Do teachers within a grade level or content area use adopted instructional methodologies?	
4. Does the school evaluate the effectiveness and efficiency of the instructional methodologies implemented?	
5. Is there a process in place to review and improve instructional	

methodologies based on student progress?	
6. Does the school have a formalized process to engage staff in collaborative learning communities to improve instruction and student learning?	

Sample artifacts to be reviewed

- Instructional strategies identified by grade level and content area
- Instructional materials and supplementary materials utilized by teachers
- Lesson plans
- Evidence that teachers are utilizing expected instructional strategies
- Evidence that teachers are working collaboratively to identify learning outcomes
- Evidence that improvements were made to content and instructional strategies

Indicator 1.3 – The school has a comprehensive assessment system that is aligned with the curriculum (aligned with Arizona Standards) and instructional methodology.

√	Status	Description
	Ineffective	The school has not developed a comprehensive assessment system based on clearly defined performance measures.
	Developing	The school has developed an assessment system based on clearly defined performance measures. The system is not comprehensive and is not aligned with the curriculum and instructional practices.
	Effective	The school has developed a comprehensive assessment system based on clearly defined performance measures. The system demonstrates evidence of alignment with the curriculum and instructional practices.
	Highly Effective	The school has developed a comprehensive assessment system based on clearly defined performance measures aligned with the curriculum and instructional methodology. The system demonstrates a formalized process to yield reliable, valid, and bias free information to assess student performance on expectations for student learning; to conduct a systematic analysis of instructional effectiveness; to adjust curriculum and instruction in response to data from multiple assessments.
Key Questions		Artifacts Reviewed
1. Has the school developed and implemented a comprehensive assessment system, as described in the CSP application, which is aligned with the curriculum and instructional methodology?		

2. Does the system provide reliable and valid data for teachers and administrators to monitor student progress?	
3. Is there a system in place to collect, analyze and report student performance data at the classroom, grade, and school level?	
4. Do teachers and administrators utilize data to evaluate student learning and instructional effectiveness?	
5. Do teachers utilize the data to determine if sufficient academic progress is being made and adjust instruction for continuous improvement?	
6. Are teachers and administrators regularly engaged in professional development programs related to the evaluation, interpretation, and use of data?	

Sample artifacts to be reviewed

- Teacher developed, benchmark, formative, summative assessments
- Documentation or description of evaluation protocols
- Variety of assessment reports
- Evidence of data analysis
- Evidence of instructional strategy planning based on data analysis
- Agenda and meeting minutes with teachers and staff addressing data analysis, use of student achievement data to monitor student progress
- Professional development calendar and agendas by topic; tools to assess PD effectiveness

Indicator 1.4 – The school complies with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act

Key Questions		Artifacts Reviewed
Yes	1. Are the proposed programs, as described in the AZ CSP application, evident during class observations?	
No		
Yes	2. Is IEP implementation, as	

No	described in the AZ CSP application, evident during class observations?	
Yes	3. Is 504 Plan implementation, as described in the AZ CSP application, evident during class observations?	
No		

Sample artifacts to be reviewed

- Description of referral process
- Description of IEP process
- Description of 504 Plan
- Budget for counseling and referral

**C. Operation**

Indicator 1.1 Internal Controls – The school has established and maintains internal controls that provide reasonable assurance that they are managing the grant in compliance with laws, terms & conditions.

Criteria	Status	Artifacts Reviewed
1. School has a clearly organized system for maintaining receipts/invoices for all purchases made with AZ CSP funds, which denote Planning and Implementation expenses.	Met	
	Not Met	
	N/A	
2. Clearly identifiable receipts can be matched to the approved AZ CSP grant budget for any selected items.	Met	
	Not Met	
	N/A	
3. All items/services purchased with AZ CSP funds are allowable.	Met	
	Not Met	
	N/A	
4. School stores receipts and financial records in a manner that minimizes the possibility of destruction (locked, fireproof storage, regular off-site backups of electronic records).	Met	
	Not Met	
	N/A	

Sample artifacts to be reviewed

- Documentation of all purchases and receipts using AZ CSP funds

- School financial policy/manual

**Indicator 1.2 School has written procedures for expending state and federal funds in their budget categories approved annually by the Governing Body.**

Criteria	Status	Artifacts Reviewed
1. Salaries and Benefits 2. Time and Effort 3. Travel 4. Equipment and Supplies 5. Contracts 6. Training Stipends 7. Conflict of Interest/Related Party Transactions	Met	
	Not Met	
	N/A	

Sample artifacts to be reviewed

- Policy Documents
- Evidence in board meeting agendas and minutes that financial reports have been submitted for review/approval

**Indicator 1.3 Financial statements provided to governing body on a regular basis – The school administration provides timely financial reports to its Governing Body for review and approval.**

Criteria	Status	Artifacts Reviewed
1. School submits and Governing Body reviews and approves financial statements as documented in board agendas and minutes.	Met	
	Not Met	
	N/A	
2. Governing Body meeting minutes document discussions demonstrating fiduciary oversight of school.	Met	
	Not Met	
	N/A	

Sample artifacts to be reviewed

- Financial reports
- Evidence in board meeting agendas and minutes that financial reports have been submitted for review/approval
- Documentation in minutes of financial oversight by the board
- Financial policy discussions, review of financial statements, development/review/revisions/approval of school budget, purchases, etc.

**Indicator 1.4 Risk Management - The school segregates among staff or directors various financial duties to minimize the risk of fraud or misuse of funds.**

Criteria	Status	Artifacts Reviewed
----------	--------	--------------------

1. Approved policies specify segregation of financial duties by position/person responsible.	Met	N/A
	Not Met	
	N/A	
2. Access to Petty Cash guidelines and allowable uses are included in school's financial policies.	Met	N/A
	Not Met	
	N/A	

Sample artifacts to be reviewed

- Evidence of strong financial controls
- Internal financial controls
- Segregation of duties
- Independent audit findings

**Indicator 1.5 Inventory - The school has implemented an inventory control procedure that ensures items purchased with AZCSP funds are identified, marked, and accounted for on a regular basis.**

Criteria	Status	Artifacts Reviewed
1. The school has an inventory control system for high-cost items that meets the requirements of federal Uniform Guidance.	Met	
	Not Met	
	N/A	
2. A physical inventory of equipment must be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records must be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.  Most recent inventory date _____	Met	
	Not Met	
	N/A	

3. All AZ CSP purchases are clearly identified and included in the inventory report.	Met	
	Not Met	
	N/A	
4. School's Inventory Report shall list a description of the equipment, the unit acquisition cost, the manufacturer's serial number, model number or other identification number, location and condition of the equipment and the date the information was reported.	Met	
	Not Met	
	N/A	
5. Capital outlay purchases (items or equipment purchased with AZ CSP funds) are identified with unique code and school name.	Met	
	Not Met	
	N/A	
6. School loans do not use capital outlay items purchased by AZ CSP as collateral.	Met	
	Not Met	
	N/A	
7. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates ED for its share.	Met	
	Not Met	
	N/A	

Sample artifacts to be reviewed

- Inventory report
- Policies

Arizona Charter Schools Program  
Subgrant Application and Award Process Timeline

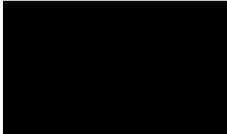
Activity	Time Frame
Ongoing Review and Revise Subgrant Application	February - September
Notice Inviting Subgrant Applications	October
Call for AZCSP Subgrant Application Evaluators	October
Prospective Applicant Trainings in Tucson, Phoenix, Flagstaff	October
Subgrant Application Evaluators Final Selection	November
Subgrant Application Submission Deadline	November
Preliminary Review of Subgrant Application by AZCSP for Administrative Completeness	November
Subgrant Application Peer Review Evaluations Deadline	December
Capacity Interview	December
Subgrant Awards Announcement (State Board of Education)	January
Grant Award Notification (GAN) Sent	January
Subgrantee Budget Approval Meetings	January
Subgrantee Monitoring	February - ongoing
Subgrantee Fiscal Reporting (Completion Report)	April - May



**Arizona Department of Education**  
**Arizona Charter Schools program**  
**1535 W. Jefferson**  
**Phoenix, AZ 85007**

## GRANT AWARD NOTIFICATION

<b>1</b>	<b>RECIPIENT NAME</b>	<b>2</b>	<b>AWARD INFORMATION</b>  PR/Award Number    U282A150009 Action Number        0 Action type            New Award type            Discretionary
<b>3</b>	<b>PROJECT STAFF</b>  Program contact Mark Francis            [REDACTED] [REDACTED]  ADE Grants Management Hotline [REDACTED]	<b>4</b>	<b>PROJECT TITLE</b>  CFDA 84.282A Subgrant Arizona Charter Schools Program
<b>5</b>	<b>KEY SUBGRANTEE PERSONNEL</b>		
	<u>NAME</u>	<u>TITLE</u>	<u>LEVEL OF EFFORT</u>
		LEA Authorized Representative	
<b>6</b>	<b>AWARD PERIODS</b>		
	BUDGET PERIOD	02/01/2016-01/31/2017	
	PERFORMANCE PERIOD 1	[REDACTED]	
	FUTURE BUDGET PERIODS		
	<u>BUDGET PERIOD</u>	<u>DATE</u>	<u>AMOUNT</u>
	2	02/01/2017-01/31/2018	[REDACTED]
<b>7</b>	<b>AUTHORIZED FUNDING</b>		

	<p>THIS ACTION THIS PERIOD PERFORMANCE PERIOD</p> 
8	<p>ADMINISTRATIVE DATA</p> <p>ENTITY DUNS # 079874826 REGULATIONS CFR PART 2.200 et. al. EDGAR AS APPLICABLE 2 CFR AS APPLICABLE ED Charter Schools Program Non Regulatory Guidance ARS §15. (Article 8) Attachments presented at post award meeting</p> <ol style="list-style-type: none"> <li>1. Monitoring Handbook</li> <li>2. Risk Assessment Framework</li> </ol>
9	<p>LEGISLATIVE AND FISCAL DATA</p> <p>AUTHORITY: PL P.L. 107-110 V ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 AS AMENDED PROGRAM TITLE: ARIZONA CHARTER SCHOOLS PROGRAM (AZCSP) CFDA/SUBPROGRAM NO: 84.282.A</p>
10	<p>FEDERAL AWARD NUMBER: U282A150009</p> <p>RECIPIENT NAME: CTDS: TERMS AND CONDITIONS:</p> <p>(1) The following items are incorporated in the grant agreement:</p> <ol style="list-style-type: none"> <li>a. The subgrantee’s application (Block 2)</li> <li>b. The applicable Education Department regulations: 2 CFR part 180, Non-procurement debarment and suspension as adopted at 2 CFR parts 3485; 2 CFR Part 200 as adopted at 2 CFR 3473 (Block 8) and 34 CFR parts 75, 77, 79, 81,82,86,97,99; and the program regulations specified in Block 8; and</li> <li>c. The special terms and conditions shown as attachments in Block 8 on the initial award apply until changed.</li> </ol> <p>(2) This award supports only the Budget Period shown in Block 6, in accordance with 34 CFR 75.253; however, funding may be affected by the following:</p> <ol style="list-style-type: none"> <li>a. Congress has appropriated sufficient funds,</li> <li>b. The subgrantee has made substantial progress toward meeting the goals and objectives of the project,</li> <li>c. To be eligible for the full \$250,000 per annum award, the subgrantee identified in its application that it expects to enroll 200 students by its third year of operation. <ol style="list-style-type: none"> <li>i. If the subgrantee elects an enrollment cap fewer than 200 students, it will be awarded a reduced amount TBD.</li> </ol> </li> </ol>

- ii. If the subgrantee fails to meet reasonable enrollment targets, as described in its application, during the first and second year of Implementation, its award will be reduced (TBD) to reflect the lower enrollment.
- d. The subgrantee will submit reports of project performance and budget expenditures that meet the reporting requirements found at 34 CFR 75.118, 2 CFR 200.237 and 200.328, ARS §15. AS APPLICABLE and any other reporting requirements established under regulation.
- e. The subgrantee maintains financial and administrative management systems that meet the requirements in 2 CFR 200.302, financial management, and 2 CFR 200.303 internal controls.

(3) Continuous Improvement Plan:

- a. The subgrantee shall assign the head of school to participate in ongoing AZCSP sponsored programs including Instructional Rounds for at least one Performance Period year.
- b. The subgrantee shall ensure the head of school and members of the governing body including the board president or a member of its executive committee shall attend an AZCSP board training within the first Performance Period year.

(4) In accordance with 2 CFR 200.308(C)(2) changes to key personnel identified in Block 5 must receive prior approval from ADE.

(5) Future funding for this award is based on the schedule identified in Block 6. These figures are estimates only and do not bind ADE to funding the subgrantee for these specific amounts shown. The subgrantee will be notified of specific future funding actions that AZCSP takes for this award.

(6) Evaluation Plan:

The subgrantee is monitored annually for academic, financial and operational compliance with its grant application and state and federal regulation using the following instruments: (see attachments, Block 8)

- a. The Arizona Charter Schools Program Monitoring Handbook which assesses the following:
  - i. Academic standards and continuous improvement,
  - ii. Governance,
  - iii. Leadership,
  - iv. Business and Financial Practices.
- b. Risk assessment is determined using the AZCSP Risk Assessment Framework mandated in Uniform Guidance 2.200.331 *Requirements for Pass-Through Entities*.
- c. If the subgrantee demonstrates a high level of risk, it will be required to implement a corrective action plan approved by AZCSP.

(7) This award supports the final budget period for this project. The recipient is required to submit all necessary reports to Arizona Department of Education within 90 days after the end of each federally supported Performance Period. (Block 6).

The grant will not be approved for funding until it is signed by the AZCSP Project Director and the LEA Authorized Representative at the Post Award Meeting Date.

	<p>By signing this GAN, I understand the terms and condition of this grant and that I have received a copy of 1) the AZCSP Monitoring Handbook, 2) the AZCSP Risk Assessment Process Narrative, 3) The AZCSP Monitoring Procedures, and 4) the AZCSP Closure Procedures.</p>	
	<p>_____  Mark Francis, ADE Deputy Associate Superintendent,  AZCSP Project Director</p>	<p>_____  Post award meeting date</p>
	<p>_____  LEA authorized Representative</p>	<p>_____  Post award meeting date</p>

Comprehensive Support  
and Improvement School  
Guidance  
with SIG Supplement



Support and Innovation  
Arizona Department of  
Education



Support and Innovation

PR/Award # U282A180003

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# School Improvement Program Description

## Comprehensive Support and Improvement (CSI) Schools

Identified every three years

### Identification for low achievement (beginning 2017):

Title I schools with student proficiency/percent passing, ELA and Math combined, in the lowest 5% on the statewide assessment

#### Exit Criteria:

- a minimum of two consecutive years of increased student proficiency on the state assessment
- implementation of school improvement goals, strategies and action steps in state required Integrated Action Plan
- proficiency rate above the state bottom 5 percent of Title I schools on the state assessment

Schools will be monitored for the subsequent three years to ensure continued improvement. If a school falls into the bottom 5% again, they will immediately be placed back into Comprehensive Support and Improvement status and subject to the more rigorous interventions.

### Identification for low graduation rate (beginning 2018):

All schools with a five-year cohort graduation rate of 66.5% or less

#### Exit Criteria:

- a minimum of two consecutive years of increased graduation rate
- implementation of school improvement goals, strategies and action steps in state required Integrated Action Plan
- Graduation rate higher than 66.6%

## SIG Schools - SIG Grants were awarded in FY15 and FY17.

SIG Schools that are identified as current CSI schools must adhere to all requirements in this document as well as implement all elements of the selected SIG model.

Schools that are no longer in improvement status, must continue to implement the selected SIG model as well as adhere to all fiscal requirements and statement of assurances.

All SIG schools will be programmatically and fiscally monitored a minimum of once a year.

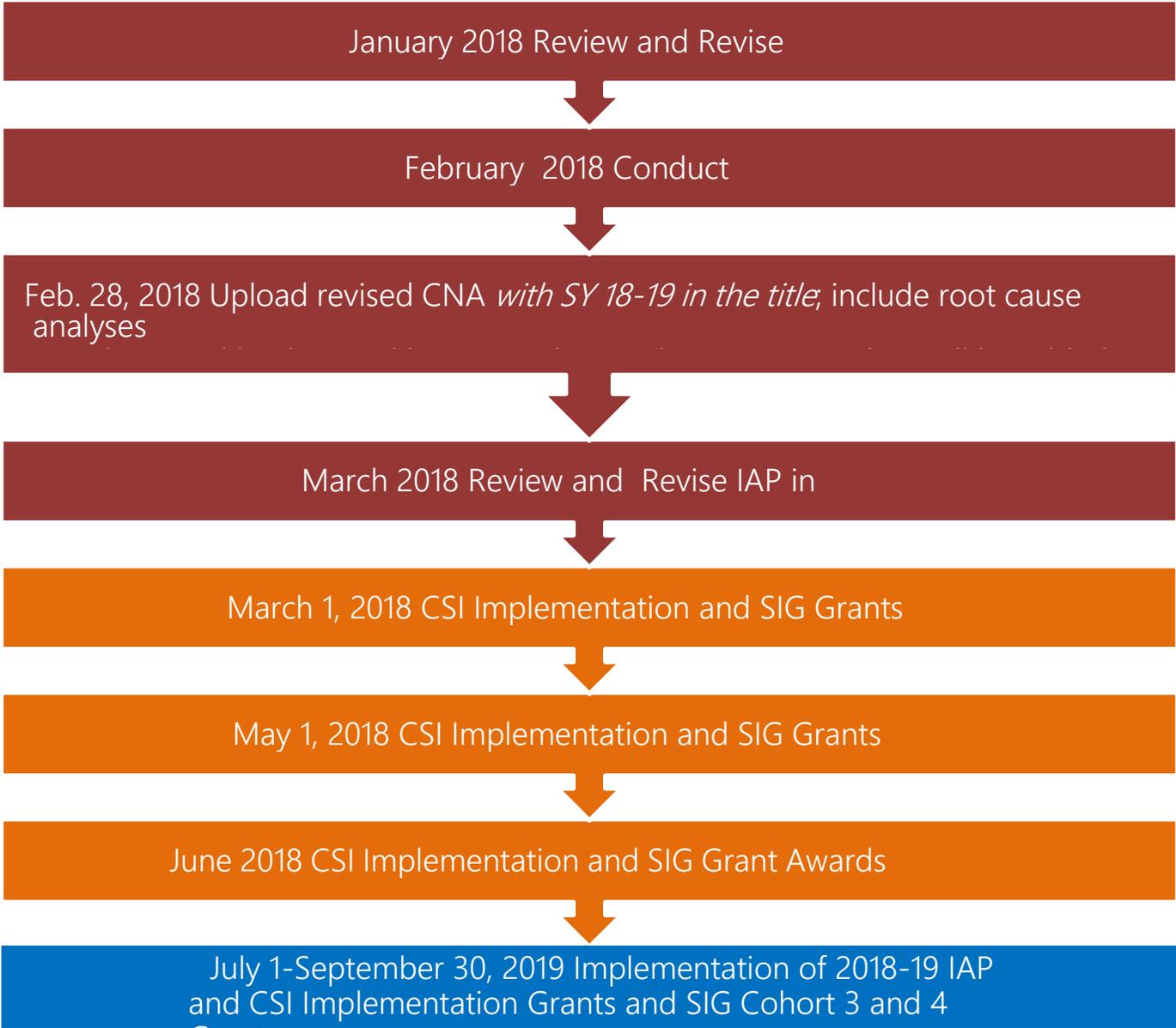
## All CSI and SIG Schools are required to complete:

- CNA and Root Cause Analyses (RCA) following Comprehensive Needs Assessment and Integrated Action Plan Guidance Document [CNA and IAP Guidance](#) and upload CNA Tool and RCA templates in ALEAT
- LEA Integrated Action Plan and School Integrated Action Plan in ALEAT
- Quarterly Benchmark Assessment data with reflections, adjustments and next steps uploaded in ALEAT
- Quarterly IAP review and progress update in ALEAT

CSI schools are supported by the Support and Innovation Unit until they meet exit criteria.

Schools must exit within four years. If not, they will be placed in the more rigorous intervention process.

**2018-19 Timeline**



# Comprehensive Support and Improvement School Requirements

- Comprehensive Needs Assessment (CNA) with root cause analyses
- LEA and School Integrated Action Plan (IAP) to address identified primary needs from CNA
  - root cause analyses
  - need statements
  - desired outcomes
  - strategies
  - action steps
- Use of evidence-based programs, strategies and/or interventions
- Required SMART Goals
  - AzMERIT-All students ELA and Math achievement
  - AIMS Science –All students Science achievement
  - Subgroup ELA and Math achievement goals to address low achievement
  - Leading and lagging indicators goals as indicated by CNA
- Assurances
- Contact Forms on website
- Quarterly Benchmark Data with Reflections
- Quarterly IAP Reviews
- Timely responses to all requests

## Required School IAP Goals

The following goals must be addressed in the School's Integrated Action Plan for all schools that are in school improvement.

Goals must be written in SMART format. (Specific, Measurable, Attainable, Results based, Time bound)

### Goal 1 – ELA achievement for all students

ELA achievement for all students will increase by \_\_\_\_\_% moving from \_\_\_\_\_% proficient or highly proficient on 2017 AzMERIT to \_\_\_\_\_% proficient or highly proficient on 2018 AzMERIT.

### Goal 2 – Math achievement for all students

Math achievement for all students will increase by \_\_\_\_\_% moving from \_\_\_\_\_% proficient or highly proficient on 2017 AzMERIT to \_\_\_\_\_% proficient or highly proficient on 2018 AzMERIT.

### Goal 3 – Science

Science achievement for all students will increase by \_\_\_\_\_% moving from \_\_\_\_\_% meets or exceeds on 2017 AIMS Science to \_\_\_\_\_% meets and exceeds on 2018 AIMS Science.

### Additional required goals depending on subgroup data

Possible examples:

Percent of Students with Disabilities scoring proficient on ELA will increase by \_\_\_\_\_% from \_\_\_\_\_% in 2017 to \_\_\_\_\_% in 2018.

The achievement gap between % of all students scoring proficient and the % of EL students scoring proficient will be reduced by \_\_\_\_\_%, from \_\_\_\_\_% in 2017 to \_\_\_\_\_% in 2018.

### Additional required goals depending on CNA leading indicator data - Possible examples:

Attendance rate will increase by \_\_\_\_\_% from \_\_\_\_\_% in 2016-17 to \_\_\_\_\_% in 2017-18.

Discipline Incidents will be reduced by \_\_\_\_\_%, from \_\_\_\_\_% in 2016-17 to \_\_\_\_\_% in 2017-18.

## Required School Structures

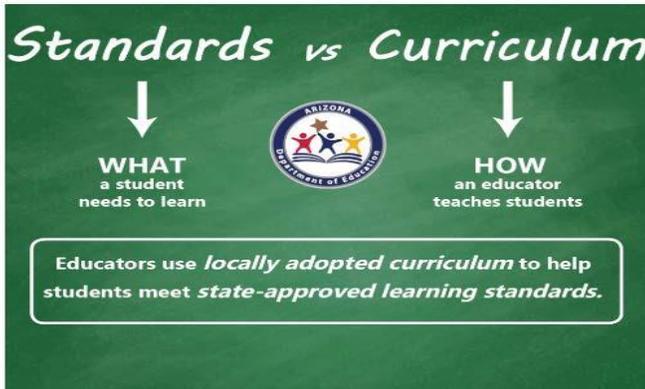
### ➤ **Written Evidence and Standards Based Curriculum**

#### **CNA Principle 4: Effective Curriculum**

Effective curricula are evidence-based resources used for teaching and learning aligned to Arizona standards in all content areas. Districts and schools adopt local curricula. An effective curriculum ensures a continuum of inclusive, equitable and challenging learning opportunities, high expectations for learning and access to a well-rounded education for all learners.

Curriculum includes scope and sequence, resources, activities, lessons, assessments and textbooks utilized by the teacher to ensure student learning.

Indicators and elements are included in Principle 4 of the [CNA Rubric](#)



Well-designed programs are based on research findings and undergo rounds of field testing and revision. A high-quality curriculum is meaningful, coherent, articulated, aligned, and promotes high standards for all students.

### ➤ **Comprehensive, Balanced Assessment System**

Includes screening and/or diagnostic assessments, formative assessment (student and teacher) classroom summative assessments, schoolwide predictive interim/benchmark assessments, and state mandated summative assessment (end of year/end of course); as well as a data management process to ensure that the system provides up-to-date data reports to allow for deep analysis of student, teacher, and school level data.

<http://www.azed.gov/standards-practices/resources-for-assessment-systems/>

### ➤ **Professional Learning Communities**

Required, scheduled meetings organized around teaching and student learning, including data discussions, lesson planning and evidence based pedagogy. <http://www.allthingsplc.info/>

### ➤ **Multi-Tiered System of Support (MTSS)**

A differentiated, coherent continuum of system-wide, evidence-based problem-solving practices supporting a rapid response to the academic and behavioral needs for all students; systems of support.

<http://www.azed.gov/mtss/resources>

### ➤ **Observation and Feedback**

The primary purpose of observation is to find the most effective ways to coach teachers to improve student learning. Observation and Feedback cycles support teachers to improve the learning through engaging lessons, instructional rigor and effective management. Highly effective teachers are developed through coaching.

<http://www.uncommonschoools.org/our-approach/thought-leadership/leverage-leadership-book- paul-bambrick-santoyo-doug-lemov>

### ➤ **Operational Flexibility**

Principals must have sufficient operational flexibility to fully implement a comprehensive systems approach in order to substantially improve student achievement outcomes and increase high school graduation rates.

<https://www.isbe.net/Documents/lp-oper-flexibility.pdf>

## **Other Requirements for All Schools in Improvement**

- Keep organized, relevant records for announced and unannounced site visits
- Submit all SI documents in a timely manner (CNA, L/SIAP, achievement data, fiscal documents and any other requested documents)
- Submit and adhere to all assurances

## **On-Site Support and Progress Monitoring Visits**

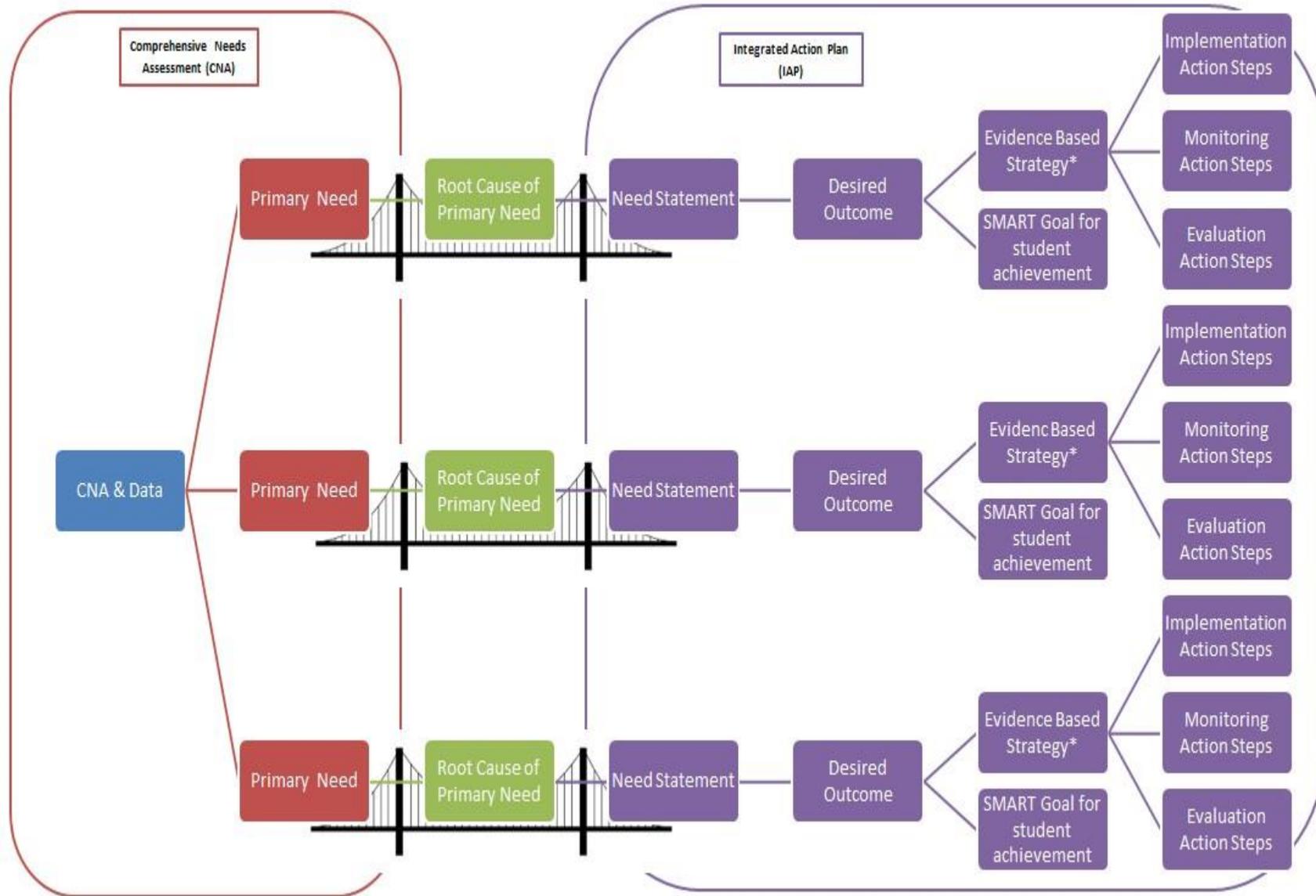
Based on differentiated LEA and school needs

### **General Guidelines**

- Prior to visit, the LEA and school site staff will establish an agenda for day(s) in collaboration with the SI Education Program Specialist (EPS).
- EPS and Principal conversation at the beginning of the visit for school status update
- EPS meets with Site Leadership Team
  - IAP progress review and next steps
  - Data review
- Walk-through Classroom Observations (10-15 minutes each)
  - Observe in all Math and English/Language Arts classrooms
  - Observe in other classrooms as time permits
  - Share the classroom observation data and provide feedback to Principal and/or LEA Leaders
- Focus Group Interviews (approx. 30 minutes each)
  - Teachers (4-6 teachers) depending on school size
  - Students (4-6 students) grade 5 and above
- Exit Interviews with next steps
  - Principal
  - LEA at the end of the site visits
- Summary Report to LEA and school within 2 weeks

On site or online collaboration to continue the discussion, monitoring planning action steps, discuss evidence based interventions possibilities and other needs.

# School Improvement Process from Comprehensive Needs Assessment to Integrated Action Plan [CNA and IAP Guidance](#)



\*Special Reminders: Strategies must be evidence based and there could be multiple strategies to support the desired outcome.

# Complete the Comprehensive Needs Assessment

## Specific Step by Step CNA (excerpted from CNA/IAP Guidance Document)

### 1. Planning and Preparation

- Identify the Guiding Coalition-Comprehensive Needs Assessment (CNA) Team
  - The CNA team consists of people who are responsible for working collaboratively throughout the needs assessment process. Ideal team members possess knowledge of programs, the capacity to plan and implement the needs assessment, and the ability to ensure stakeholder involvement.
  - Stakeholders are those individuals with valuable experiences and perspective who provide the team with important input, feedback, and guidance and represent all factions of the school community.
- Discuss the school vision and mission to ground the work
- Determine CNA completion process (which may include forming additional work teams)
- Determine timeline

### 2. CNA Data Collection, and Analysis

- Data collection
- Data analysis to select the Element descriptors that best match your school for all six Principles' Indicators.
- Discuss, discuss, discuss
- Reach consensus on each element

#### **Gather, review and analyze demographic data**

##### Guiding Questions

- How do student outcomes differ by demographics and programs?
- What is the longitudinal progress of a specific cohort of students?
- What are the characteristics of students who achieve proficiency and of those who do not?
- Where are we making the most progress in closing achievement gaps?
- How do absence and mobility affect assessment results?

#### **Gather, review and analyze leading indicator data**

Leading Indicators are formative. They track progress along the way and guide course corrections as needed.

#### **Dropout rate Guiding Questions**

- Are there significant differences in dropout rates among subgroups?
- Are there any trends? Who? When?
- Student attendance rate
- Have there been changes in the attendance rate overtime?
- Are there trends among subgroups or grade levels?

#### **Discipline incidents Guiding Questions**

- Have there been changes in the discipline incidents rate overtime?
- Have there been changes in the types of discipline incidents over time?
- Are there trends among subgroups, grade levels or teachers?

#### **Truancy**

- Have there been changes in the truancy rate overtime?
- Are there trends among subgroups or grade levels?

### Teacher attendance rate

- Are there any overall trends?
- Do the trends correlate with achievement data?

### □ Gather, review and analyze lagging indicator data

Lagging/Achievement Indicators are summative—they are longer term outcomes that enable us to reflect on the impact of a strategy.

- Percentage of students at or above each proficiency level on State assessments in reading/language arts and mathematics, by grade and by student subgroup
- Possible Student Achievement Guiding Questions
- Effective collaboration to support student achievement: What processes are in place to ensure that effective collaboration is occurring to advance student achievement? Are existing processes effective?
- Are there trends among subgroups?
- Are there trends among grade levels?
- Are there teacher specific trends?
- Are there trends relative to ELA or Mathematics?

### Percentage of limited English proficient students who attain English language proficiency

- Are there trends among grade levels?
- Are there teacher specific trends?
- Have there been changes in the proficiency rates overtime?

### Graduation rate

- What processes are in place to support practices that positively affect graduation outcomes? What gaps exist in outcomes among student subgroups?
- Have there been changes in the graduation rates over time? 4-year cohort? 5-year cohort? 6-year cohort?

---

## CNA Tool Directions

1. Access the Comprehensive Needs Assessment (CNA) Tool from the Arizona Department of Education website, Comprehensive Needs Assessment/Integrated Action Plan webpage <http://www.azed.gov/cna/>
2. Open the CNA Tool and save to your computer desktop.
  - a. Be sure to enable editing (yellow bar at the top of the screen).
3. Start with Principle 1-definition
4. Read Indicators one at a time with the corresponding Output.
  - a. Read each Element for that Indicator one at a time.
  - b. Answer the question by clicking on the O next to the answer that reflects the current state based on team discussion and consensus
  - c. Identify trends and patterns.
  - d. Identify possible primary needs for this principle.
  - e. Repeat for each Principle.

Quantitative Data: Quantitative data, both leading and lagging indicators in required. The templates allow you to collect these data all in one place.

The subgroups listed are required by ESSA. You may use your own template if you choose.

*AzMERIT/MSAA* Available: <http://www.azed.gov/research-evaluation/aims-assessment-results/>

*Graduation Rate* Available: <http://www.azed.gov/research-evaluation/graduation-rates/>

*Dropout Rate* Available: <http://www.azed.gov/research-evaluation/dropout-rate-study-report/>

Demographics Available: <http://www.azed.gov/research-evaluation/arizona-enrollment-figures/>  
 Discipline Available: [School or LEA database/dashboard](#)  
 Certification Available: <http://www.azed.gov/educator-certification/>  
 Teacher attendance, retention Available: [School or LEA database/dashboard](#)

AZELLA-The best source for multiple years of this AZELLA data is the SDELL72

report. However, it is limited to only students that have tested at that school. This report can be accessed through ADEConnect-EL Role, which is assigned at the LEA level. For the first report, this will provide the proficiency levels; however, the LEA will need to link through AZEDS for the demographic information. For reclassification, the LEA can get a reclassification ballpark figure by using the Reassessment results and determining of the number of students who took the test, how many scored Proficient

### 3. Identify 3 or 4 Primary Needs

Reread the trends and patterns summaries and possible primary needs from all 6 Principles. Use the information in these summaries to Identify three or four primary needs. This could be your lowest rated indicators or your lowest rated principles. It could also be common indicators like high expectations. Look at the big picture and what are the trends in the CNA data.

Final Steps: Summary and Needs Identification		
Using the summary of your data above: Step 1- Identify your overall Primary Needs Step 2 - Conduct a Root Cause Analysis (next 3 tabs) Step 3 - Write Primary Needs Statements and Desired Outcomes (after root cause analysis)		
Step 1: Identify your 3- 4 Primary Needs	1	
	2	
	3	
	4	
Step 2: Identify Root Causes <i>See next three tabs</i>	1	
	2	
	3	
	4	
Primary Needs Statements and Desired Outcomes <i>determined by root cause analysis</i>	1	
	2	
	3	
	4	

**Next step is critical to successful change.**

#### 4. Conduct a Thorough Root Cause Analysis See Appendix C for target questions

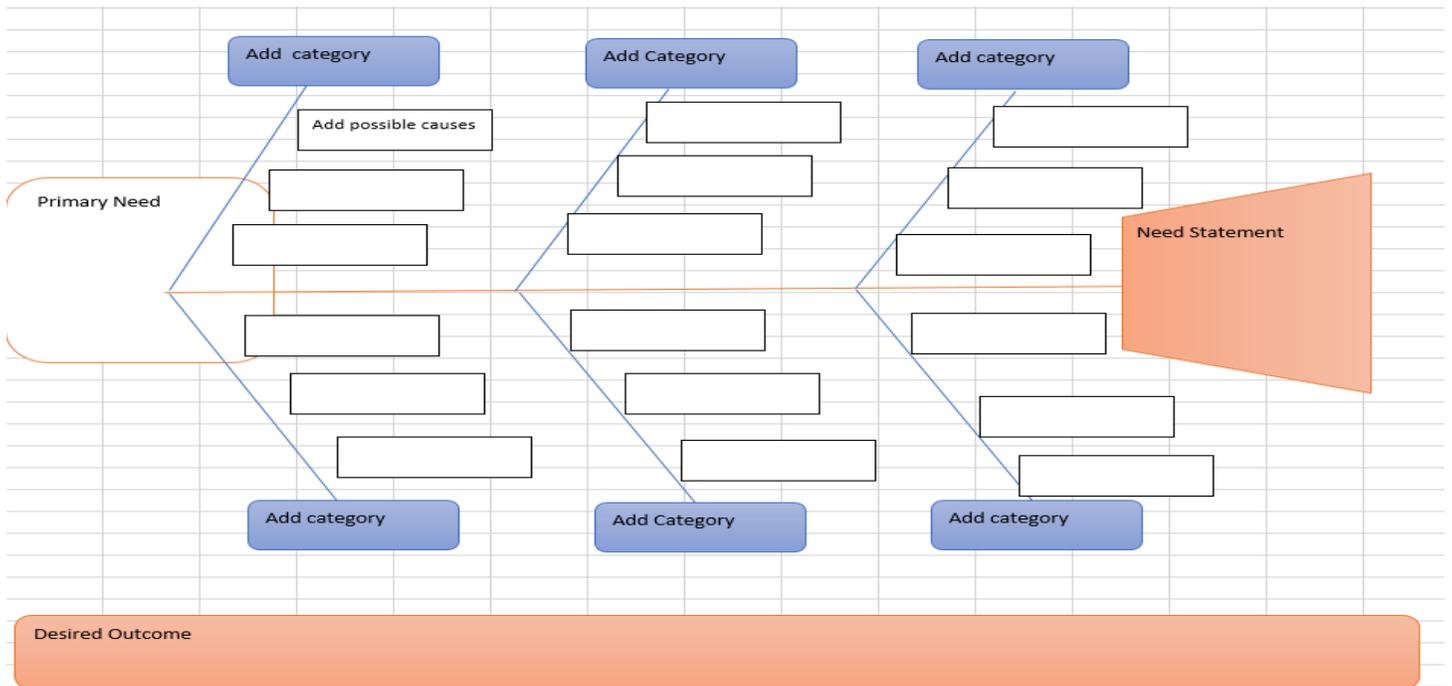
for your top 3 or 4 primary needs, resulting in Needs Statements and Desired Outcomes. Root cause analyses take time! It is necessary for impactful change.

Root cause analysis is a structured team process. It allows the use of a strategic method to dig down into the primary need and determine causes and contributing factors. Often during the discussion of causes, different perspectives of the same situation are uncovered for an enhanced picture of the problem. At the end of the root cause analysis, the major cause is discovered and what needs to happen to remove the problem is determined. **This is time to discuss causes, not solutions.**

**PUT ALL ASSUMPTIONS ASIDE FOR THIS PROCESS**

# Root Cause Analysis Tools

## Fishbone Diagram



**Fishbone Diagram Process Directions:** The team identifies clear and specific primary needs based on patterns and trends in the CNA.

- i. Choose ONE of the needs to address first and write it in the head of the fishbone.
- ii. The team facilitator asks the team, “How do we know that problem exists? What are the teachers doing? What are the students doing? (see the root cause analysis questions for support with this)
- iii. The team recorder documents comments on the fishbone grouping items in like categories, for example: teachers, students, curriculum, assessment, etc.
- iv. After, all ideas are documented on the fishbone. Reread the ideas on the fishbone.
- v. Highlight similar items.
- vi. Look at the highlighted items and determine the primary needs.
- vii. Once the team agrees on the main problem verify that it is the root cause by asking the following:
  - a. Is what in the fishbone tail, if it were corrected would the problem continue?
    - i. If yes, you need to dig deeper and use the 5 whys?
    - ii. If no, you found the root cause?
- viii. If the answer provided is a contributing sub cause to the problem, the team keeps asking “Why?” until there is agreement from the team that the root cause has been identified.
- ix. It often takes three to five whys, but it can take more than five. So, keep going until the team agrees on the root cause.

### Root Cause guiding questions:

- Would the problem have occurred if the cause had not been present? If no, then it is a root cause. If yes, then it is a contributing cause.
- Will the problem reoccur as the result of the same cause if the cause is corrected or dissolved? If no, then it is a root cause. If yes, then it is a contributing cause.
- Will correction or dissolution of the cause lead to similar events? If no, then it is a root cause? If yes, then it is a contributing cause.

*Important note: If a cause is something that the school cannot change or effect, it is **“off the table”** i.e. “The students come in so low”.*

## The 5 Why Method

The 5-Whys is a simple brainstorming tool that can help teams identify the root cause(s) of a problem. Once a general problem has been recognized, ask “why” questions to drill down to the root causes. Asking the “5- Whys” allows teams to move beyond obvious answers and reflect on less obvious explanations or causes.

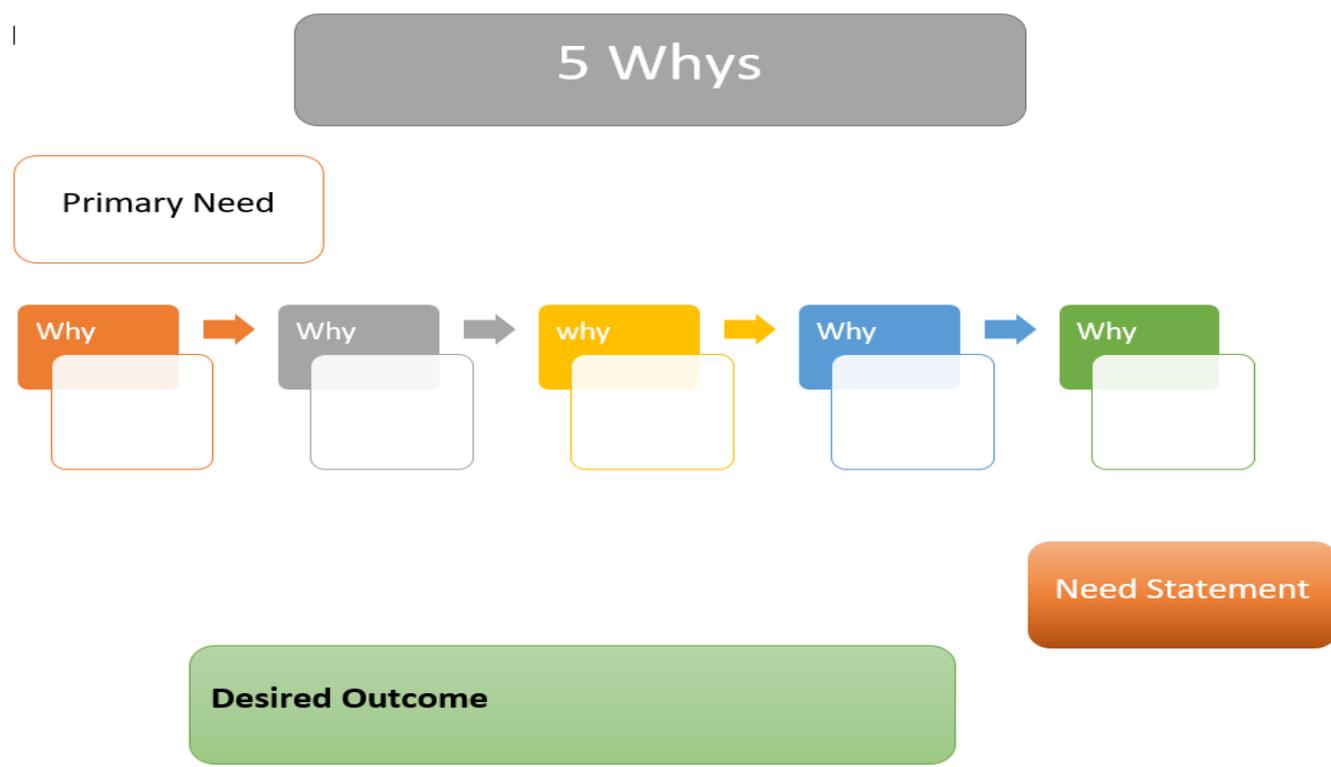
Step-by-step instructions

State the problem you have identified as a strategic problem to work on. Start asking “why” related to the problem. Like an inquisitive toddler, keep asking why in response to each suggested cause.

Ask as many “whys” as you need in order to get insight at a level that can be addressed (asking five times is typical). You will know you have reached your final „why” because it does not make logical sense to ask why again.

The “5-Whys” is a strategy that is often used after an issue has been identified using another tool, such as a Fishbone Diagram or Process Mapping. Guard against using the “5-Why” questions on their own to avoid a narrow focus or bias.

This methodology is closely related to the Cause & Effect Fishbone diagram, and can be used to complement the analysis necessary to complete a Cause & Effect diagram.



**Complete CNA Tool Step 2: Identify Root Causes and Step 3: Primary Needs and Desired Outcomes in the CNA tool**

Step 1: Identify your 3- 4 Primary Needs	1	
	2	
	3	
	4	
Step 2: Identify Root Causes <i>See next three tabs</i>	1	
	2	
	3	
	4	
Primary Needs Statements and Desired Outcomes <i>determined by root cause analysis</i>	1	
	2	
	3	
	4	

## Integrated Action Plans Edited 3.1.18

The **Integrated Action Plan (IAP)** is developed based on the School level Comprehensive Needs Assessment (CNA) and should be developed in concert with all applicable stakeholders, with opportunities for meaningful input and feedback from parents and community members, to ensure the plan is reflective of local context and needs.

The **school-level IAP (SIAP)** addresses three or four areas of need identified by the school's CNA, and satisfies the majority of the programmatic requirements of included state and federal grants received by the school in one comprehensive plan. This process serves to integrate and align plans required across grant programs to access state and federal grant resources and ensure a coherent, connected plan for continuous improvement. Current included programs are Title I, II, III, IV, MOWR and School Improvement.

The **LEA-level IAP (LIAP)** supports the system's areas of focus as identified and informed by an LEA's analysis of school CNAs and school IAPs. This provides the opportunity for the LEA to address and satisfy the majority of the programmatic requirements including state and federal grants received at the LEA level in one plan.

School integrated Action Plan (SIAP) and the LEA integrated Action Plan (LIAP) are written annually.

### IAP Requirements:

- Three or four Need Statements with correlated Desired Outcomes; SMART Goals, if required
- Evidence based Strategies
- Evidence based Action Steps (use appropriate tags are required, funding **and program tags**)
  - Implementation Action Steps
  - Monitoring Action Steps
    - Measures
    - Success Criteria and Evidence

- Evaluation Action Steps
  - Measures
  - Success Criteria and Evidence

Address only the applicable Principles (all 6 are not required) based on CNA, identified three or four Need Statements and Desired Outcomes and any that address additional program area requirements. Targeted, intentional, focused actions result in real change. A “laundry list” of needs and desired outcomes will dilute focus, scatter efforts and will not result in real change.

## School Integrated Action Plan (SIAP)

### Process:

- Identify writing team to include all stakeholders
  - Establish group norms or agreements
- Establish timeline for writing the plan
- For each identified primary need, enter the need statement and desired outcome under the identified Principle
  - Add SMART goals as needed or required
- Starting with the identified specific desired outcomes, backward design the evidence based improvement strategies and action steps
- Investigate evidence based programs, strategies or interventions to address each desired outcome (Resources available: [Evidence Based Improvement Guide and Evidence Based Guidance Document on SI webpage http://www.azed.gov/improvement/ under All Schools in Improvement](http://www.azed.gov/improvement/under/AllSchoolsinImprovement/))
  - Generate list of possibilities
  - Investigate possibilities
  - Select evidence based strategies
- Add selected strategy under appropriate principle
- Develop action steps (using actionable verbs)
  - Implementation action steps
    - Develop clear and comprehensive actionable action steps including who is responsible and the timeline
    - Align resources, funding sources, people and time to action plan
  - Monitoring action steps
    - Determine measures to monitor implementation
      - Collect information to monitor the quality of supports being provided
    - Identify and track progress and performance
      - Consider what additional information is needed to determine if action steps are working
    - Assess the degree to which the implementation plan is being followed with fidelity
    - Is the intervention, strategy, system, or process accomplishing the intended goal/s?
    - Should it be continued or adjustments made?
  - Evaluation action steps
    - Determine measure/s to evaluate success
    - Determine criteria and evidence of success
    - Use the evidence to determine whether the intervention should continue as is, be modified, or be discontinued
    - Were desired outcomes reached?
    - Were SMART goals met?

Ensure coherence and obvious relationships between all need statements, desired outcomes, SMART goals, strategies and action steps

## Sample School Site IAP Worksheet **Highlighted areas required in IAP in ALEAT**

SAMPLE Primary Need #1	<b>Primary Need: (head of fishbone)</b> <b>Strong Math Instruction Aligned to Standards</b>	
	<b>Root Cause:</b> <b>No adopted math curriculum</b>	
	<b>Needs Statement: (tale of fishbone)</b> <b>Need a written evidence and standards based math curriculum implemented with fidelity and professionally learning for evidence based math instruction (4.2, 4.3, 4.5, 2.2, 2.4, 2.6)</b>	
	<b>Desired Outcome: (Needs statement restated in a positive)</b> <b>Evidence and standards based Math curriculum aligned to grade level and content standards, implemented with fidelity to increase math proficiency on state assessment.</b>	
	<b>SMART Goal: (If the primary need is fixed how will your % proficient be affected?)</b> <b>Math achievement for all students will increase by 10% moving from 0% proficient or highly proficient on 2017 AzMERIT to 15% proficient or highly proficient on 2018 AzMERIT.</b>	
	<b>Strategy:</b> Adopt an evidence and standards based math curriculum.	<b>Action Steps:</b> (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>▪ Establish curriculum research committee</li> <li>▪ Research available commercial curricula</li> <li>▪ Visit schools with top 3 curriculum to view curriculum in action</li> <li>▪ Select best fit curriculum</li> <li>▪ Follow procedure to select and adopt a standards and evidence based math curriculum</li> </ul>
	<b>Strategy:</b> Research and implement evidence based math instruction.	<b>Action Steps:</b> (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>▪ Establish a committee</li> <li>▪ Research different pedagogy and methodologies</li> <li>▪ Select strategies to be implemented in all classrooms and/or grade level bands</li> <li>▪ Plan PD to support implementation and training of methodologies</li> </ul>
	<b>Strategy:</b> Consistent high quality professional development and support for all teachers.	<b>Action Steps:</b> (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>▪ Provide bi-weekly PD for 60 mins</li> <li>▪ Provide bi-weekly planning PD to implement strategies</li> <li>▪ Plan and ensure PLC sharing and discussions of resources used, student work and what works instructional strategies</li> <li>▪ Plan and implement Peer observations</li> <li>▪ Schedule and conduct administrative walk through observations with targeted feedback and teacher action plans</li> </ul>
	<b>Strategy:</b> Monitor Implementation	<b>Action Steps:</b> <ul style="list-style-type: none"> <li>▪ Ensure teacher lesson plans reflect standards based objectives and evidence based instructional strategies</li> <li>▪ Monitor teacher assessments</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Administrative walk through observation forms</li> <li>▪ Determine successful completion of action steps on student achievement</li> </ul>
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**LEA Integrated Action Plan (LIAP)**

The **LEA IAP** supports the implementation of the SIAP.

The LEA IAP is based on:

- A review of all School CNA results
- Reflective questioning process and discussion
- Identification of evidence based strategies and action steps to support all school/s successful SIAP implementation.
- Analyze Schools’ Comprehensive Needs Assessment (CNA) data for trends and patterns across schools.

**LEA Guiding Questions**

- What patterns or trends are evident in student achievement data among the schools?
- What patterns or trends are evident in student and teacher demographic data?
- What patterns or trends are evident in the Leading Indicator data?
- What patterns or trends are evident in the data regarding the 6 Principles?
- What patterns or trends are evident in the primary needs selected by schools to be addressed in school IAPs?
- What specific evidence-based strategies, actions and interventions can the LEA implement to support schools to successfully address identified primary needs and desired outcomes?
- What systems, processes, procedures, operational flexibility can be put in place to support schools in implementation of School Integrated Action Plans?
- How will these actions be monitored and evaluated? Are we doing what we said we would do? Are we doing it well? Is it impacting students learning and achievement? How do we know?

**Create an LEA integrated action plan with strategies and action steps** that align systems across the LEA to ensure successful school IAP implementation.

- Three or four Need Statements with correlated Desired Outcomes and SMART Goals, if required based on school IAPs trends and necessary support
- Evidence based Strategies
- Evidence based Action Steps (use appropriate tags for required, funded and non-funded activities)
  - Implementation Action Steps
  - Monitoring Action Steps
    - Measures to be used
    - Success Criteria and Evidence
  - Evaluation Action Steps
    - Measures to be used
    - Success Criteria and Evidence

Plans are in ALEAT. Assurances are in Grants Management Enterprise (GME). In order to allow for meaningful plans based on the primary needs identified in the CNA, while meeting the ESSA requirements, there are program requirements and assurances. Some assurances may require narrative description in either the SIAP or the program’s grant application. See specific program information beginning on page 43.

**Sample LEA Integrated Action Plan Worksheet** Highlighted areas required in IAP in ALEAT

SAMPLE Primary Need #1	Primary Need: (head of fishbone) Strong Math Instruction Aligned to Standards	
	Schools that Display Primary Need: Arizona Elementary School, Sunburst Elementary School	
	Root Cause(s): No adopted math curriculum	
	Needs Statement(s): (tale of fishbone) Need a written evidence and standards based math curriculum implemented with fidelity and professionally learning for evidence based math instruction (4.2, 4.3, 4.5, 2.2, 2.4, 2.6)	
	Desired Outcome: (Needs statement restated in a positive) Evidence and standards based Math curriculum aligned to grade level and content standards, implemented with fidelity to increase math proficiency on state assessment.	
	SMART Goal: (If the primary need is fixed how will your % proficient be affected?) Math achievement for all students will increase by 10% moving from 0% proficient or highly proficient on 2017 AzMERIT to 10% proficient or highly proficient on 2018 AzMERIT.	
	Strategy: Support Adoption of an evidence and standards based math curriculum.	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>▪ Help Research Evidence Based Programs for Elementary school</li> <li>▪ Help facilitate the ordering of sample materials</li> <li>▪ Meet with Curriculum Adoption Committee</li> <li>▪ Help complete Curriculum Rubrics</li> </ul>
	Strategy: Support Research and implement evidence based math instruction.	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>▪ Help Research Evidence Based PD strategies to support math PD</li> <li>▪ Work with Site Principals to create a calendar to roll out implementation</li> </ul>
Strategy: Support Consistent high quality professional development and support for all teachers.	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>▪ Support sites with funds to conduct peer observations</li> <li>▪ Schedule and conduct meetings with site principals to review walkthrough observations and action plans</li> <li>▪ Attend site PDs to show support for the initiatives</li> </ul>	
Strategy: Monitor Implementation	Action Steps: <ul style="list-style-type: none"> <li>▪ Monitor site data (benchmarks/interims)</li> <li>▪ Schedule and conduct walkthroughs to see curriculum in action</li> </ul>	
SAMPLE Primary Need #2	Primary Need: (head of fishbone) Parent and Community Involvement	
	Schools that Display Primary Need: Dream Big Middle School, Hope Middle School	
	Root Cause(s): Not enough opportunities for parent and community involvement	

	Needs Statement(s): (tale of fishbone) Need to provide opportunities for the parents and community to get involved in the school (1.4, 2.7, 5.2, 5.5, 6.1, 6.2, 6.3, )								
	Desired Outcome: (Needs statement restated in a positive) Provide multiple opportunities for the parents and community to get involved to promote collaboration and increase student achievement								
	SMART Goal: (If the primary need is fixed how will your % proficient be affected?) Increase parent and community involvement by 20% moving from 48% on the 2018 parent satisfaction survey to 68% on the 2019 parent satisfaction survey.								
	<table border="1"> <tr> <td>Strategy: Create a volunteer program for parents and community.</td> <td>Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Hold fingerprinting at each site to facilitate volunteers</li> <li>Provide substitutes for sites so admin/teachers can train volunteers once a quarter</li> <li>Create a district volunteer guide to support volunteer training</li> </ul> </td> </tr> <tr> <td>Strategy: Increase communication with community</td> <td>Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Help Research local community partnerships with site principals</li> </ul> </td> </tr> <tr> <td>Strategy: Support site with parent and community involvement</td> <td>Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Attend community events to support schools' sites with initiative</li> <li>Have Public Relations Person go to sites to photograph events and volunteers.</li> <li>Add photos and highlight on volunteer programs on district website</li> </ul> </td> </tr> <tr> <td>Strategy: Monitor Implementation</td> <td>Action Steps: <ul style="list-style-type: none"> <li>Monitor sign in sheets and training</li> <li>Review parent survey data and meet with site leadership</li> </ul> </td> </tr> </table>	Strategy: Create a volunteer program for parents and community.	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Hold fingerprinting at each site to facilitate volunteers</li> <li>Provide substitutes for sites so admin/teachers can train volunteers once a quarter</li> <li>Create a district volunteer guide to support volunteer training</li> </ul>	Strategy: Increase communication with community	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Help Research local community partnerships with site principals</li> </ul>	Strategy: Support site with parent and community involvement	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Attend community events to support schools' sites with initiative</li> <li>Have Public Relations Person go to sites to photograph events and volunteers.</li> <li>Add photos and highlight on volunteer programs on district website</li> </ul>	Strategy: Monitor Implementation	Action Steps: <ul style="list-style-type: none"> <li>Monitor sign in sheets and training</li> <li>Review parent survey data and meet with site leadership</li> </ul>
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Strategy: Support site with parent and community involvement	Action Steps: (List all your Planning Strategies form your planning worksheet) <ul style="list-style-type: none"> <li>Attend community events to support schools' sites with initiative</li> <li>Have Public Relations Person go to sites to photograph events and volunteers.</li> <li>Add photos and highlight on volunteer programs on district website</li> </ul>								
Strategy: Monitor Implementation	Action Steps: <ul style="list-style-type: none"> <li>Monitor sign in sheets and training</li> <li>Review parent survey data and meet with site leadership</li> </ul>								
SAMPLE Primary Need #3	Primary Need: (head of fishbone) Shared Knowledge of Content Standards								
	Schools that Display Primary Need: Arizona Elementary School, Sunburst Elementary School, Dream Big Middle School, Hope Middle School								
	Root Cause(s): Teachers do not know how to deconstruct standards into unit plans to plan for instruction								
	Needs Statement(s): (tale of fishbone) Teachers do not know their standards well enough to plan for instruction (6.2, 6.3, 6.4, 6.6)								
	Desired Outcome: (Needs statement restated in a positive) Teachers will deconstruct standards to create units of instruction to increase student achievement and increase student engagement.								

<p>SMART Goal: (If the primary need is fixed how will your % proficient be affected?)  Math achievement for all students will increase by 10% moving from 0% proficient or highly proficient on 2017 AzMERIT to 15% proficient or highly proficient on 2018 AzMERIT.</p> <p>Reading achievement for all students will increase by 10% moving from 5% proficient or highly proficient on 2017 AzMERIT to 15% proficient or highly proficient on 2018 AzMERIT.</p>	
<p>Strategy:  Provide Training for Instructional Coaches in Backward Design</p>	<p>Action Steps: (List all your Planning Strategies form your planning worksheet)</p> <ul style="list-style-type: none"> <li>▪ District Leadership will plan PD on Backwards Design Principles</li> <li>▪ District Leadership will provide training to all instructional coaches and site leadership</li> <li>▪ District will provide ongoing PD quarterly to monitor Backwards Design Implementation</li> <li>▪ Create a District Template for Backwards Planning Units</li> </ul>
<p>Strategy:  Teachers train in Backward Design</p>	<p>Action Steps: (List all your Planning Strategies form your planning worksheet)</p> <ul style="list-style-type: none"> <li>▪ Create 2 district wide PD days on the calendar for training sites to complete initial training</li> <li>▪ Provide substitutes for teachers to participate in one full day of training each quarter to plan for instruction for each content area (Math and ELA).</li> </ul>
<p>Strategy:  Support sites with backwards Design</p>	<p>Action Steps: (List all your Planning Strategies form your planning worksheet)</p> <ul style="list-style-type: none"> <li>▪ Purchase Understanding by Design for each instructional coach and site principal</li> <li>▪ Purchase Understanding by design Professional Development workbook for each instructional coach and site principal</li> </ul>
<p>Strategy:  Monitor Implementation</p>	<p>Action Steps:</p> <ul style="list-style-type: none"> <li>▪ Instructional coaches will collect data on benchmarks/interims to determine unit effectiveness</li> <li>▪ Instructional coaches will monitor scope and sequence alignment for summer review based on unit plans</li> </ul>

# ALEAT

## Uploading CNA

### Uploading the School CNA

Upload the school CNA at the top of the Integrated Action Plan into the School File Cabinet, at the paper clip at the top of the page of the plan.  
Be sure to label the document SY17-18SchoolNameCNA.

Arizona LEA Tracker (ALEAT)

LEAs: ESSA sample - 2016, Current School: Best Dang School in Arizona - ESSA School

LEA Overview | Plan | File Cabinet

Home > Plan

**INTEGRATED ACTION PLAN** [Paper Clip] [Add] [Refresh]

Best Dang School in Arizona - ESSA School - 2016 - 2017 School Year

Last Updated: Tee Lambert 09/24/2016 4:45 PM

Action Steps: 24

Status: Completed (0) Not Begun (0) In Progress (24) Suspended (0)

Select Document Type:

- New File: Please do not upload documents that contain student-identifying information unless specifically requested. **Choose File** SY17-18 Be... - CNA.xlsx File size limit: 50 MB
- Existing File
- Link to a web page URL
- Hard Copy Reference Only

**Title \***

Use Filename SY17-18 Best School in AZ - CNA.xlsx

Description:

This is published. Permissions

**Attach** Cancel

Click on the paper clip at the top of the page of the school IAP.

1

2

3

4

5

After clicking on the paper clip it will take you to the upload screen. (1)  
Click on the Choose File link and choose your CNA. (2)  
Then uncheck the check next to Use File. (3)  
Fill in the Title of the document to reflect the school year, the school name and that it is the CNA. (4)  
Example:  
SY17-18 Best School in AZ - CNA  
Then click on Attach (5)

# LEA Integrated Action Plan

**LEA OVERVIEW** 1  
Blueprint Education - 078745000

Select School Year:  
2017 - 2018 School Year Update

Instruments (9) **Integrated Action Plan Principles (6)** Schools (3)

Name	Status	Items not in Compliance	Due Date
<a href="#">1st Comprehensive Data Benchmark w/ Reflection</a>	Submitted	0	01/15/2018
<a href="#">2017-2018 Cycle 4 On Site Monitoring</a>	In Progress	0	
<a href="#">2nd Comprehensive Benchmark Data w/ Reflecti</a>	In Progress	0	03/15/2018
<a href="#">3rd Comprehensive Benchmark Data w/ Refl</a>	In Progress	0	06/15/2018
<a href="#">Comparability Calculation</a>	In Progress	0	11/30/2017
<a href="#">Comprehensive November Baseline Data</a>	Submitted	0	11/15/2017
<a href="#">Comprehensive Sup. &amp; Imp. General Assurances</a>	In Progress	0	11/15/2017
<a href="#">ECAP 2017-2018</a>	In Progress	0	03/02/2018
<a href="#">Transportation Plan for Children in Foster Care</a>	In Progress	0	10/01/2017

LEA INFORMATION  
LEA Type Title I

ONSITES  
[Schedule Onsite](#)

**LEA OVERVIEW** 1  
Blueprint Education - 078745000

Select School Year:  
2017 - 2018 School Year Update

Instruments (9) **Integrated Action Plan Principles (6)** Schools (3)

Go To Plan Overview

Title	Strategies/ Action Steps	Last Updated
<a href="#">1 - Effective Leadership</a>	0/0	Joanna Barry 07/11/2017
<a href="#">2 - Effective Teachers and Instruction</a>	0/0	Joanna Barry 07/11/2017
<a href="#">3 - Effective Organization of Time</a>	0/0	Joanna Barry 07/11/2017
<a href="#">4 - Effective Curriculum</a>	0/0	Joanna Barry 07/11/2017
<a href="#">5 - Conditions, Climate, and Culture</a>	0/0	Joanna Barry 07/11/2017
<a href="#">6 - Family and Community Engagement</a>	0/0	Joanna Barry 07/11/2017

LEA INFORMATION  
LEA Type Title I

ONSITES  
[Schedule Onsite](#)

# 6 Principles for LEA IAP

School

LEA OVERVIEW  
Blueprint Education - 078745000

Instruments (9) Integrated Action Plan Principles (5) Schools (3)

Page size: 25 1 to 9 of 9 items

Name	Status	Items not in Compliance	Due Date
<a href="#">1st Comprehensive Data Benchmark w/ Reflection</a>	Submitted	0	01/15/2018
<a href="#">2017-2018 Cycle 4 On Site Monitoring</a>	In Progress	0	
<a href="#">2nd Comprehensive Benchmark Data w/ Reflecti</a>	In Progress	0	03/15/2018
<a href="#">3rd Comprehensive Benchmark Data w/ Refl</a>	In Progress	0	06/15/2018
<a href="#">Comparability Calculation</a>	In Progress	0	11/30/2017
<a href="#">Comprehensive November Baseline Data</a>	Submitted	0	11/15/2017
<a href="#">Comprehensive Sup. &amp; Imp. General Assurances</a>	In Progress	0	11/15/2017
<a href="#">ECAP 2017-2018</a>	In Progress	0	03/02/2018
<a href="#">Transportation Plan for Children in Foster Care</a>	In Progress	0	10/01/2017

Page size: 25 1 to 9 of 9 items

Select School Year:  
2017 - 2018 School Year Update

LEA INFORMATION

LEA Type Title I

ONSITES

[Schedule Onsite](#)

LEA OVERVIEW  
Academy Of Excellence, Inc. - 078604000

Instruments (4) Integrated Action Plan Principles (6) Schools (3)

Page size: 25 1 to 3 of 3 items

Title	Principles/Strategies/Action Steps	Last Updated
<a href="#">Academy Of Excellence - 078604101</a>	8/0/0	Brenda Nelson 02/16/2015 5:40 PM
<a href="#">Academy of Excellence - Central Arizona - 078604004</a>	8/0/0	Eula Dean 11/25/2014 10:24 AM
<a href="#">Fay Landrum Academy - 078604102</a>	8/0/0	N/A

Page size: 25 1 to 3 of 3 items

Select School Year:  
2017 - 2018 School Year Update

LEA INFORMATION

LEA Type Title I  
21st Century Grant: Yes  
Title III Funds: Yes

ONSITES

[Schedule Onsite](#)

Click on the school to get to individual school's IAP

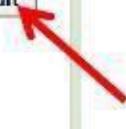
## Integrated Action Plan in ALEAT

1 

Add strategy					
<b>Principle 4 - Effective Curriculum</b>	<b>STRATEGIES:</b> 0 of 2 Complete	<b>ACTION STEPS:</b> 0 of 7 Complete	<b>TASKS:</b> None	<b>Budgeted:</b> <b>Actual:</b>	<b>\$0.00</b> <b>\$0.00</b>
<p>Effective curricula are evidence-based resources used for teaching and learning aligned to Arizona standards in all content areas. Districts and schools adopt local curricula. An effective curriculum ensures a continuum of inclusive, equitable and challenging learning opportunities, high expectations for learning and access to a well-rounded education for all learners.</p>					
Hide Detail					

### PRINCIPLE SUMMARY

<p><b>Title *</b> Principle 4 - Effective Curriculum</p> <p><b>Needs Statement: *</b> Effective curricula are evidence-based resources used for teaching and learning aligned to Arizona standards in all content areas. Districts and schools adopt local curricula. An effective curriculum ensures a continuum of inclusive, equitable and challenging learning opportunities, high expectations for learning and access to a well-rounded education for all learners.</p>	<p><b>Instructions</b> Using the ADE Comprehensive Needs Assessment, evaluate your school against the indicators of an effective school and determine the area(s) of focus. After determining the area of need, create a measurable Goal, develop strategies and action</p>
---	---

Edit 

2

## PRINCIPLE SUMMARY

**Title \***  
Principle 4 - Effective Curriculum

**Needs Statement: \***

533

**Need Statement:**  
Percent proficient consistently dips more than 10% on writing assessment in grade 4 and shows little improvement in grades 5 and 6. Word choice scores are extremely low. Vocabulary scores are also low.

**Desired Outcomes:**  
\* Writing curriculum aligned with the appropriate grade level and content standards  
\* Writing curriculum is evidence and standards based and implemented with

[Spell Check](#)

**4**

Once you have determined your needs, choose the aligned principle and click of the title of the principle.

Under the principle summary, click on edit.

3, Once in the principle summary, delete the original description and add  
Primary Need  
Root Cause  
Need Statement  
Desired Outcome  
Smart Goal, if needed

4. Scroll down and click save

Edited for CSI schools 3.1.18

Develop your strategies and action steps to meet your desired outcomes.

### PRINCIPLE SUMMARY

**Title \***  
Principle 4 - Effective Curriculum

**Needs Statement: \***

Need Statement: Percent proficient consistently dips more than 10% on writing assessment in grade 4 and shows little improvement in grades 5 and 6. Word choice scores are extremely low. Vocabulary scores are also low. Desired Outcomes: \* Writing curriculum aligned with the appropriate grade level and content standards \* Writing curriculum is evidence and standards based and implemented with fidelity \* Percent proficient on writing assessment will increase moving from 3rd to 4th, 4th to 5th, and 5th to 6th grades.

To create your strategy to address your need click on **+Add Strategy** link at the bottom of the Principle Summary page (1)

The "Edit a Plan Strategy" Page will open, provide a Title and Description then click Save. (2)

### EDIT A PLAN STRATEGY

Instructions/Description

**Title: \***  
Evidence and standards based Writing curriculum

**Local Description**

Writing curriculum aligned with the appropriate grade level and content standards

Spell Check



Save Save and Add Another Cancel

### EDIT A PLAN STRATEGY

Instructions/Description

**Title: \***  
Evidence and standards based Writing curriculum

**Local Description**

Writing curriculum aligned with the appropriate grade level and content standards

Action Steps (4) Resources (0)

+ Add Action Step

On the "Edit a Plan Strategy" Page you can create an Action Step by clicking on **+Add Action Step**. (3)

Once you have stated your strategies, create your action steps to implement your strategies.

Once you click on **+Add Action Step**, fill in the template, the \* indicate areas that must be completed. (1)

- Be sure to make the start and end dates reflect the current school year. (2)
- Be sure to use appropriate **Funding** and/or **Program** tags (3)  
(Please see **ALEAT Tags list** for full tag listing and definitions)

**Funding Tags**

<b>TI-LEA</b>	Title I – LEA Set Aside
<b>TI-SW</b>	Title I – Schoolwide Program
<b>TI-SW3</b>	Title I – Schoolwide Consolidated Program (SW3)
<b>TI-TA</b>	Title I – Targeted Assistance Program
<b>TI-C</b>	Title I-C Migrant Education Program
<b>TI-D</b>	Title I –D Neglected & Delinquent Students Program
<b>TI</b>	Title II
<b>TI</b>	Title III
<b>TIV-A</b>	Title IV-A-Student Support & Academic Enrichment Block Grant (NEW)
<b>TV-RLIS</b>	Title V-B- Rural and Low Income School Program
<b>MOWR</b>	Move On When Reading
<b>SIG</b>	School Improvement Grant
<b>CS</b>	Comprehensive Support & Improvement
<b>TS</b>	Targeted Support & Improvement

- ▶ Click on save once you have completed the Action Step. You then will be on the “Action Step Summary” page:
- Click on Status Update to mark your Action Step is in progress (4) and click save (5).

## ALEAT Tag Requirements

You must use program tags to meet school improvement requirements.

If you receive SIG or Comprehensive Support and Improvement Grant funding, you must use funding tags in order to receive approval for your budgets in GME.

## ALEAT Tags

Funding Tags	
<i>Funding Tags are <b>required</b> and associated with grant programs participating in the IAP Pilot for FY18. Multiple tags may be applied to a given activity to fund that activity – subject to the requirements of each individual grant program. Activities tagged with a Funding Tag should have associated expenses accounted for in the grant application associated with that tag.</i>	
<b>TI-LEA</b>	Title I – LEA Set Aside
<b>TI-SW</b>	Title I – Schoolwide Program
<b>TI-SW3</b>	Title I – Schoolwide Consolidated Program (SW3)
<b>TI-TA</b>	Title I – Targeted Assistance Program
<b>TI-C</b>	Title I-C Migrant Education Program
<b>TI-D</b>	Title I –D Neglected and Delinquent Students Program
<b>TII</b>	Title II
<b>TIII</b>	Title III
<b>TIV-A</b>	Title IV-A - Student Support and Academic Enrichment Block Grant (NEW)
<b>TV-RLIS</b>	Title V-B- Rural and Low Income School Program
<b>MOWR</b>	Move On When Reading
<b>SIG</b>	School Improvement Grant
<b>CS</b>	Comprehensive Support and Improvement Grant
<b>TS</b>	Targeted Support and Improvement Grant

Program Tags	
<i>Program Tags are for the most part <b>optional</b> and indicate how activities may impact different programs and/or student populations. They may be associated with funding tags – but are not considered to be associated with a specific funding source.</i>	
<b>AP</b>	Advanced Placement Programs
<b>CSI</b>	Comprehensive support and Improvement Program (required, if a CSI school)
<b>TSI</b>	Targeted Support and Improvement Grant Program (required, if a TSI school)
<b>CTE</b>	Career and Technical Education Programs and Students
<b>ECE</b>	Early Childhood Education Programs and Students
<b>EDTECH</b>	Education Technology Programs
<b>ELL</b>	English Language Learners
<b>Foster</b>	Foster Education Programs and Students
<b>Gifted</b>	Gifted Education Programs and Students
<b>Homeless</b>	Homeless Education Programs and Students
<b>Indian</b>	Indian Education Programs and Students
<b>IST</b>	Integrated Support Team
<b>Parent</b>	Parent and Family Engagement Programs
<b>Migrant</b>	Migrant Students
<b>SPED</b>	Special Education Programs and Students
<b>90Day-Fall</b>	Action Steps Associated with a Local 90 Day Plan for the Fall Semester
<b>90Day-Spring</b>	Action Steps Associated with a Local 90 Day Plan for the Spring Semester
<b>21stCLCC</b>	21 <sup>st</sup> Century Learning Community Learning Center Program

# Grant Opportunities

## Comprehensive Support and Improvement Grant

**Eligibility:** Schools identified as Comprehensive Support and Improvement low achievement Schools.

*This is a competitive grant. A detailed application with all required elements and documents is required to be considered for funding. No LEA out of fiscal and/or programmatic compliance will be considered eligible*

**Due date:** May 1, 2018

### Complete all sections in GME

- Contact Information
- Program Details
- Narrative Questions
- Assurances
- Required Related Documents
  - Evidence Based Summary Form/s in required related documents, if appropriate
  - Signature Page in required related documents

### Proposed Budget

- Complete a *proposed* budget in GME. Be sure to include sufficient details in the narrative.
- Items must support the strategies and objectives based on the data from the CNA and careful root cause analyses
- Be sure that the requests for funds are allowable.

### Other Requirements

Uploaded reviewed and revised CNA, including Root Cause Analyses and reviewed and revised completed IAP with CSI goals, strategies and CSI tagged action steps, Evidence-Based Summary Forms (in required documents), signature page (in required documents), score of 25/30 required for funding.

### Comprehensive Support and Improvement Grant Allowable Expenditures

All Comprehensive Support and Improvement School activities funded with Title I 1003 (a) School Improvement funds must be reasonable and necessary and directly related to the implementation of the LEA and School Integrated Action Plan. It must address the needs identified in the schools' Comprehensive Needs Assessment and advance the overall goal to increase the academic achievement in low performing schools.

- Strategies and action steps based on CNA data analysis
- Data driven decision-making process
- Leadership Development
- Professional Learning activities (including conferences and related travel)
- Educational Service Provider (external provider) services based on specific needs identified in CNA
- Supplies directly related to action steps
- Positions necessary for IAP implementation
- Stipends for off contract work (above and beyond duties necessary to job function); committees, or attending professional learning activities
  - Board approved hourly rate paid, must be reasonable
  - Requires time and effort logs

Generally, this grant will not fund capital items.  
This grant will NOT fund performance incentive pay or stipends.

### **Criteria for Compliance**

Grant recipients are required to:

- Receive EPS approval for revisions prior to implementing any change in spending or program
- Submit revisions for any fiscal or programmatic change
- In accordance with sound accounting practices, LEAs are required to request reimbursements monthly.
- Keep necessary Time and Effort documentation
- Submit Completion Reports on time

*Grantees failing to meet any single requirement of compliance are subject to possible funding forfeiture.*

### **SIG Cohort 3 Sustainability (Year 5) Current grant recipients ONLY**

*This is a competitive process. High quality application (minimum 70% of points as scored by rubric), CNA, root cause analyses and LEA and School IAP are required to receive funding. LEAs out of fiscal or programmatic compliance will be ineligible for this grant.*

**Eligibility:** Eligible applicants are current SIG Cohort 3 Schools who have successfully implemented the Transformation or Turnaround model, put systems in place to ensure continued improvement, and increased student achievement.

Grant awards will not be made to Local Education Agencies (LEAs) that are out of compliance with state or federal requirements, fiscal or programmatic.

**Purpose:** The purpose of the 1003(g) School Improvement (SIG) Sustainability Grant is to provide local educational agencies (LEAs) that demonstrated successful implementation of the selected model during the previous three years and demonstrate strong commitment to sustainability

#### **Directions:**

1. LEA and School teams collaborate to write a strong, detailed sustainability application, provide all required documents, provide evidence of compliance and check and sign assurances.
  - a. LEA's assigned specialist is available for assistance.
  - b. It is highly recommended that the rubric is used when completing application.
2. Submission of completed application with all required documents and evidence is required. Additional inquiries from ADE will not be made.
3. The application will be scored using the scoring rubric provided by June 1

#### **Allowable Expenditures**

All SIG activities funded with 1003 (g) School Improvement funds must be reasonable and necessary and directly related to the implementation of the LEA and School Integrated Action Plan. It must address the needs identified in the schools' Comprehensive Needs Assessment and advance the overall goal to increase the academic achievement in low performing schools.

- Data driven decision-making process
- Sustainability strategies and action steps based on CNA data analysis
- Sustainability strategies and action steps directly related to elements in selected Federal Model
  - Professional Learning activities (including conferences and related travel)
  - Educational Service Provider (external provider) services based on specific needs identified in CNA and sustainability efforts
  - Supplies directly related to sustainability
  - Stipends for off contract work (above and beyond duties necessary to job function); specific to sustainability work
    - Board approved hourly rate paid, must be reasonable
    - Requires time and effort logs

This grant will NOT fund performance incentive pay or stipends.

### Criteria for Compliance

Grant recipients are required to:

- Receive EPS approval for revisions prior to implementing any change in spending or program
- Submit revisions for any fiscal or programmatic change
- In accordance with sound accounting practices, LEAs are required to request reimbursements monthly.
- Keep necessary Time and Effort documentation
- Submit Completion Reports on time

*Grantees failing to meet any single requirement of compliance are subject to funding forfeiture.*

### **SIG Cohort 4 Year 3 ONLY SIG Cohort 4 schools, who have successfully implemented year 2 implementation grant.**

**This is a competitive process. High quality application (minimum 70% of points as scored by rubric), CNA, root cause analyses and LEA and School IAP required to receive funding. LEAS out of fiscal and programmatic compliance will be ineligible for this grant**

**Eligible Applicants:** SIG Cohort 4 schools, who have successfully implemented year 2 implementation grant

#### **Purpose**

The purpose of the 1003(g) School Improvement Grant (SIG) is to provide local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools and with the right investments, can serve as learning labs for the LEA to pilot and implement practices that could eventually have system-wide impact.

#### **Directions:**

1. LEA and School teams collaborate to write a strong, detailed sustainability application, provide all required documents, provide evidence of compliance and check and sign assurances.
  - a. LEA's assigned specialist is available for assistance.
  - b. It is highly recommended that the rubric is used when completing application.
2. Submission of completed application with all required documents and evidence is required. Additional inquiries from ADE will not be made.
3. The application will be scored using the scoring rubric provided during the week of
4. Awards will be made based on the scored application and the demonstrated capacity and commitment to continued implementation of selected model and sustainability plan. **Seventy percent of points are required for funding.**
5. LEAs will be notified of award or non-award by June 1

### **Allowable Expenditures**

All SIG activities funded with 1003 (g) School Improvement funds must be reasonable and necessary and directly related to the implementation of the LEA and School Integrated Action Plan. It must address the needs identified in the schools' Comprehensive Needs Assessment and advance the overall goal to increase the academic achievement in low performing schools.

- Data driven decision-making process
- Strategies and action steps based on CNA data analysis
- Strategies and action steps directly related to elements in selected Federal Model and IAP
  - Professional Learning activities (including conferences and related travel)
  - Educational Service Provider (external provider) services based on specific needs identified in CNA

- Supplies directly related to implementation of model and/or IAP
- Capital outlay items necessary to implement model and/or IAP
- Position salaries necessary to implement model and/or IAP
- Stipends for off contract work (above and beyond duties necessary to job function); committees or attending professional learning activities
  - Board approved hourly rate paid, must be reasonable
  - Requires time and effort logs

## Criteria for Compliance

Grant recipients are required to:

- Receive EPS approval for revisions prior to implementing any change in spending or program
- Submit revisions for any fiscal or programmatic change
- In accordance with sound accounting practices, LEAs are required to request reimbursements monthly.
- Keep necessary Time and Effort documentation
- Submit Completion Reports on time

*Grantees failing to meet any single requirement of compliance are subject to possible funding forfeiture.*

## CSI Graduation Rate Grant

**Eligibility:** Schools identified as Comprehensive Support and Improvement Schools for low Graduation Rate. *This is a competitive grant. A detailed application with all required elements and documents is required to be considered for funding. No LEA out of fiscal and/or programmatic compliance will be considered eligible.*

**Due date:** May 1, 2018

Complete all sections in GME

- Contact Information
- Program Details (use scoring rubric found in Document Library to guide your submission)
- Assurances
- Required Related Documents
- Evidence Based Summary Form/s in required related documents, if appropriate
- Signature Page in required related documents

## Proposed Budget

- Complete a *proposed* planning budget in GME. Be sure to include sufficient details in the narrative.
- Items must support increased graduation rate strategies and objectives based on the data from the CNA and careful root cause analyses
- Be sure that the requests for funds are allowable.

## Requirements

- Completed CNA uploaded in ALEAT
- Thorough root cause analyses for low graduation rate
- L/SIAP in ALEAT including grad rate required goals, strategies and action steps
- Assurances in ALEAT and GME
- Evidence Summary Form

## CSI Graduation Rate Grant Allowable Expenditures

All Comprehensive Support and Improvement School activities funded with Title I 1003 (a) School Improvement funds must be reasonable and necessary and directly related to the implementation of the LEA and School Integrated Action Plan. It must address the needs identified in the schools' Comprehensive Needs Assessment and advance the overall goal to increase graduation rate in low performing schools.

- Data driven decision-making process

- Strategies and action steps based on root cause/s identified for low graduation rate
  - Professional Learning activities
  - Supplies directly related to action steps
  - Stipends for off contract work (above and beyond duties necessary to job function); committees or attending professional learning activities
    - Board approved hourly rate paid, must be reasonable
    - Requires time and effort logs

This grant will NOT fund performance incentive pay or stipends or capital outlay items.

### **Criteria for Compliance**

Grant recipients are required to:

- Receive EPS approval for revisions prior to implementing any change in spending or program
- Submit revisions for any fiscal or programmatic change
- In accordance with sound accounting practices, LEAs are required to request reimbursements monthly.
- Keep necessary Time and Effort documentation
- Submit Completion Reports on time

*Grantees failing to meet any single requirement of compliance are subject to possible funding forfeiture.*

## **Systemic Leadership Development Grant**

**Eligibility:** LEAs with schools identified as Comprehensive Support and Improvement Schools (CSI) in 2017-18 or Targeted Support and Improvement Schools identified in 2018-19

*A detailed application with all required elements and documents is required to be considered for funding. No LEA out of fiscal and/or programmatic compliance will be considered eligible.*

**Purpose:** To provide funding to LEAs with CSI/TSI Schools for participation in approved systemic education or executive leadership programs and any required leadership coaching

**Due date:** Upon admission to the selected program

When application is completed in GME, it will be scored and LEA will be notified within two weeks of submission whether funds have been awarded.

### **Application Process**

#### **Complete all sections in GME**

- ✓ Program Details
  - Contact Information
  - Narrative questions
  - Assurances
- ✓ Budget with detailed narrative
- ✓ Required Related Documents
  - Signature Page
  - Selected Leadership Program application/information

Official program description or brochure including benefits, details program long-term and short-term goals, program elements, participant eligibility, participation dates, length of program, program research base

#### **Grant Allowable Expenditures:**

- Program registration

- Travel related costs
- Other costs associated with program requirements such as a leadership coach Criteria for Compliance

**Grant recipients are required to:**

- Receive EPS approval for revisions prior to implementing any change in spending or program
- Submit revisions for any fiscal or programmatic change
- In accordance with sound accounting practices, LEAs are required to request reimbursements monthly.
- Keep necessary Time and Effort documentation
- Submit Completion Reports on time

*Grantees failing to meet any single requirement of compliance are subject to possible funding forfeiture.*

## **ELEVATE - Executive Leadership Development Program**

### **Arizona Department of Education partnership with Arizona State University and WestEd**

A two-year program designed to educate and empower district leaders, principals and leadership teams to focus on improving teaching and learning, resulting in significant gains in student achievement. District and school leaders have the opportunity to work with and learn from colleagues throughout the state; solve problems collaboratively; re-invent, re-ignite, re-energize and transform systems; and receive tailored mentoring and support.

The program includes:

- A focus on building systemic capacity in the areas of data-driven instruction, effective use of observations and feedback, student and staff culture of learning, and effective talent management.
- District Readiness Assessment to determine the readiness of your system to engage in school turnaround efforts.
- Behavioral Event Interview with participating principals to determine the development needs of current and prospective leaders.
- Quarterly Convenings for the two-year period. Professional development builds on the work of Public Impact (Turnaround Leader Competencies), Paul Bambrick-Santoyo (Leverage Leadership and Driven by Data), and other evidence based best practices.
- Ongoing coaching.

**Cohort 3** ...Begins in early 2019. Grant funding is available for program and coaching costs. Contact Liz Allen [REDACTED] for information or application.

Systemic Leadership Development grants are available by application.

# Evidence-Based Improvement ESSA Guidance

Evidence-based improvement, as outlined by Every Student Succeeds Act (ESSA) of 2015, requires states, LEAs, and schools to base improvement efforts on those strategies, programs, and interventions which have a solid evidence-base. Four levels of evidence comprise this concept:

**Strong evidence** – demonstrates a statistically significant effect on improving student outcomes or other relevant outcomes, based on at least one well-designed and well- implemented study.

**Moderate evidence** – demonstrates a statistically significant effect on improving student outcomes or other relevant outcomes, based on at least - one well-designed and well- implemented quasi-experimental study.

**Promising evidence** – demonstrates a statistically significant effect on improving student outcomes or other relevant outcomes, based on at least one well-designed and well- implemented correlational study with statistical controls for selection bias.

**Demonstrates a rationale** – demonstrates a rationale based on high-quality research findings or positive evaluation that such intervention is likely to improve student outcomes or other relevant outcomes; and includes ongoing efforts to examine the effects of the intervention.

Comprehensive Support and Improvement (CSI) Schools and Targeted Support and Improvement (TSI) Schools must choose interventions which show strong, moderate, or promising evidence. “Demonstrating a Rationale” is not an allowable evidence base for our schools in school improvement.

The movement to evidenced-based improvement from scientifically-based research allows states and schools more flexibility in choosing interventions; however, it also brings more local responsibility. It becomes the combined responsibility of the state and the school to ensure that they align intervention efforts, at all tiers of instruction, to solid evidence.<sup>1</sup> Additionally, when strong evidence does not exist, it becomes imperative that the state, LEA, and school gather evidence to demonstrate that the intervention increased student achievement.

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See: [Guidance on the ESSA Levels of Evidence for School Improvement Grants](#) for specific information, support and resources.

<sup>1</sup> In ESSA, the term “intervention” is used broadly to encompass strategies, activities, programs, and interventions at all tiers of instruction

# Overview of Required Documents

Documents	Completed by:	Submitted to:	Due by:
CNA	School	ALEAT File cabinet	No later than 3/15/18
Root Cause Analyses	School	ALEAT	No later than 3/31/18
School Improvement Goals in the SIAP	School	ALEAT	No later than 4/15/18
LEA and School Integrated Action Plan	LEA and School	ALEAT	No later than 4/15/18
General Assurances	LEA	ALEAT	5/1/18
<i>Grant Application/s if eligible</i>	<i>LEA and School</i>	<i>GME</i>	<i>5/1/18</i>
Updated LEA Contact Form	LEA	Online SI Webpage	7/1/18
Quarterly Student Benchmark Data Analysis and Trends Reflection	LEA School	ALEAT	10/15/18 1/15/19 3/15/19
AzMERIT Data Analysis and Trends Reflection	LEA School	ALEAT	6/15/19 AzMERIT Scores and last benchmark
Grantees Monthly Reimbursement Requests	LEA	GME	Monthly

# Support and Innovation Contact List

[Devon Isherwood](#), Deputy Associate Superintendent

[Elizabeth Allen](#), Director

[Christina Pou](#), Education Program Specialist, Phoenix

[Alisa Garwick](#), Education Program Specialist, Phoenix

[Meg Cota](#), Education Program Specialist, South

[Cathie Devers](#), Education Program Specialist, Phoenix

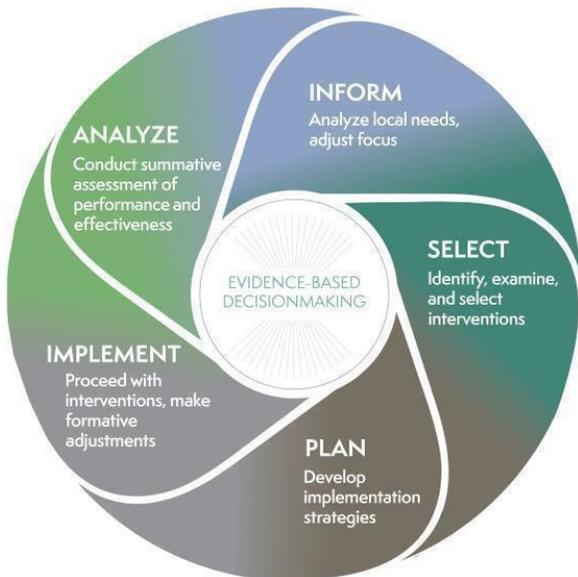
[Frank Larby](#), Education Program Specialist, South

[Jennifer Cooper](#), Education Program Specialist, Phoenix

[Cindy Richards](#), Project Specialist

[Lea Bryant](#), Project Specialist

Email address 



## Appendix A Evidence-Based Decision-

Evidence-based decision-making and reflection are the core of the entire continuous improvement process and are used in each step. The steps overlap, with each leading into the next, so that, for example, the Analyze step begins before the Implement step is completed; the color shading is intended to communicate this point.

Hale, S., Dunn, L., Filby, N., Rice, J., & Van Houten, L. (2017).

***Evidence-based improvement: A guide for states to strengthen their frameworks and supports aligned to the evidence requirements of ESSA. San Francisco: WestEd***

One of the broad intents of the Elementary and Secondary Education Act (ESEA) as amended by Every Student Succeeds Act (ESSA) is to encourage evidence-based decision-making as a way of doing business.

Beyond defining four levels of acceptable evidence below, the law provides states with more flexibility and authority, compared to what was allowed under No Child Left Behind regarding how states and districts handle selecting and implementing interventions.

§200.21 of ESSA requires a state to review and approve each comprehensive support and improvement plan in a timely manner. Further, the regulations require the state education agency (SEA) to monitor and periodically review each local education agency (LEA)'s implementation of its plan.

The provisions in ESSA also lend themselves to the use of an iterative, continuous improvement process. The law specifies that states are to continuously evaluate the effectiveness of interventions carried out under several federal grant programs (e.g., ESSA, 2015, Section 4624[10]).

Finally, regulations of ESSA (24 C.F.R. § 200.23, 2016) require states to evaluate the effects of evidence-based interventions on student achievement and other outcomes, and to disseminate the results of those evaluations to LEAs. Interventions must have an impact on "meaningful student outcomes".

---

*"A continuous improvement process starts with the problem, rather than the solution."*

---

The literature on decision-making in education reveals an array of factors that often influence decisions, including popular trends, political considerations, and the networks and information sources with which decision makers are connected. ESSA and, more generally, the evidence-based decision-making movement emphasize the importance of evidence in informing decisions. Knowing and building on what has worked in the past, and specifically for whom and in what circumstances, offers a better chance of success in the future.

However, over focusing on the decision itself can perpetuate a “magic bullet” concept of improvement: the fact that a program produces positive outcomes on average does not mean that it will do so in every case. Deciding to implement a particular approach must be preceded by a thorough assessment of needs and hypotheses about the causes of issues and problems, to determine if a proposed program or practice is really appropriate and what adaptations may be necessary, and it must be followed by careful implementation and analysis of local outcomes.

---

*Using data and evidence keeps the improvement process guided toward the desired outcomes.*

---

A continuous improvement process starts with the problem, rather than the solution. It includes addressing a discrete issue or problem by systematically testing potential solutions while tracking well-defined and measurable goals. The process is meant to be iterative—data are collected, analyzed, and discussed frequently so that adjustments can be made to the intervention or program, and then data are collected and analyzed once again. In addition, the scale of the initial effort often begins small and expands over time as the intervention is refined. Using this process, schools and districts often start with a pilot intervention or activity and expand it as the fit to local conditions is better understood.

Continuous improvement cultivates a problem-solving orientation and close observation of the system that is producing the outcomes. This orientation is important to sustained improvement, especially when more than one change may be needed. Using data and evidence keeps the improvement process guided toward the desired outcomes.

---

*“Evidence-based decision-making and reflection are the core of the entire continuous improvement process and are used in each step.”*

---

**Step 1: Inform:** A comprehensive needs assessment is the first step to analyze the needs of the education setting, in order to inform subsequent steps, particularly decisions that are made in step 2. Needs are analyzed by using input from as many stakeholders as possible: leadership, staff, parents and other community members, and students. The needs assessment data along with leading and lagging indicator data (test scores, attendance, discipline, grad rate, etc.) are used to identify and prioritize gaps in the educational setting, whether they are programmatic or service or staff related. Well-defined and measurable goals are developed from a careful analysis of these needs and gaps, and from hypotheses about which factors in the current situation might be causing problems and impeding attainment of desired outcomes.

**Step 2: Select an Evidence Based Strategy:** This step involves identifying, examining, and selecting evidence based programs, practices and interventions for the intended setting and population(s). The step might start with searching clearinghouses of evidence-based interventions, such as the What Works Clearinghouse (WWC), Evidence for ESSA, Promising Practices Network and others which have reviewed the research on many interventions (see SI Evidence Based Guidance for more resources). Careful attention to the quality of both individual research studies and the body of evidence on an intervention is needed. Selection also includes taking stock of the specific context and educational environment(s) in which an intervention will be implemented, including the student population and the local capacity, resources, and strategic plans. What works in one place will not necessarily work in another. The results of this step provide the specifics needed to develop detailed

implementation plans.

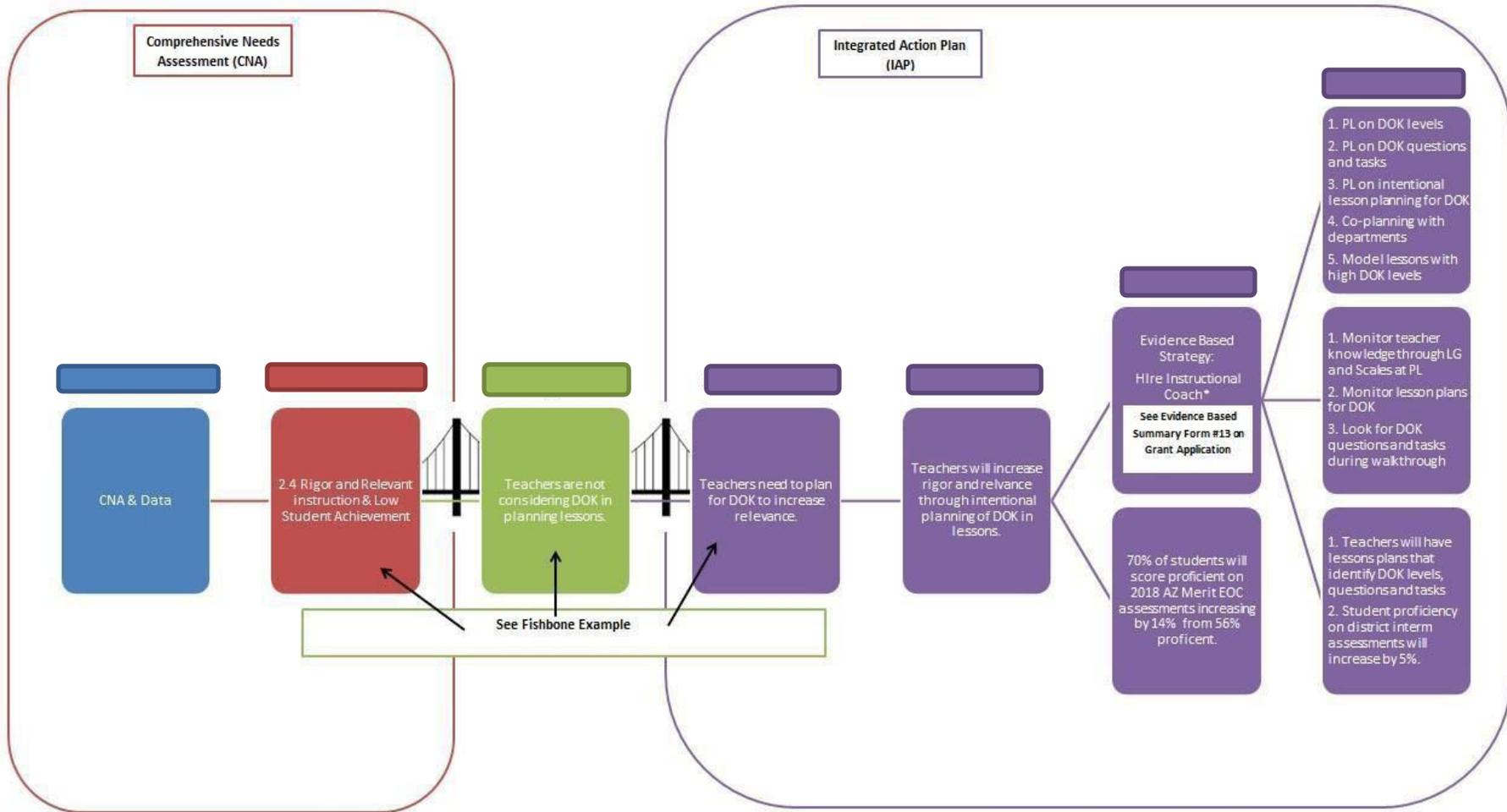
**Step 3: Integrated Action Plan:** In this step, a detailed implementation plan is developed for the selected interventions, to specify who will implement the interventions, when, and with what support. Planners determine what core features are needed for implementation with fidelity, and what adaptations may be needed. Also, necessary materials, technical assistance, and professional development for the actual implementation are either developed or contracted. Plans for analysis and/or evaluation are drafted, and data are collected to monitor progress.

**Step 4: Implement:** This step involves carrying out the intervention. It is important for this step to include the collection and examination of implementation data for formative feedback and improvement.

Educators will need to ensure that the interventions are being implemented as was planned in the previous step, and will need to correct problems (e.g., teachers not participating in the intended level of professional development) and document any promising adaptations that might be informative to others. Implementation is continually assessed in this step, through an iterative process, until the intervention is being delivered in a stable way.

**Step 5: Analyze:** In this step, data are collected about longer-term changes in primary desired outcomes. If there is progress toward the goals, the intervention can be continued and expanded when appropriate. If not, a new or additional strategy may be needed. This step may involve progress monitoring—tracking trends in outcomes over time. Or, if an intervention is stable enough, a rigorous evaluation of impact is appropriate. Finally, the findings from this step can be communicated outward; therefore, the entire community can benefit, as reflected in the ESSA requirement that states share evaluation information.

# Appendix B CNA IAP Process Example Chart



\*Click on Resources at the bottom of this site for support on selecting evidence based strategies: <http://www.azed.gov/cna/> and complete Evidence Based Summary Form

# Appendix C Root Cause Analysis Target Questions

1. How do you know the problem exists? What are the people in the school doing?
2. What are your teachers or staff doing or not doing to contribute to the problem?
3. What are students doing or not doing to contribute to the problem?
4. What is the community or family doing or not doing to contribute?
5. What school systems support the problem?
6. What systems do not support the problem?
7. What barriers are in place?
8. How does the curriculum contribute?
9. How does time contribute?
10. Does the school schedule play a role in the problem?
11. What causes the teachers to contribute to the problem?
12. Why do students feel or act a certain way?
13. How does instruction contribute to the problem?
14. How does the problem show up in instruction?
15. What other factors are contributing to the problem?
16. Do you have a lack of fidelity to a program/system?
17. Is there something not being implemented?
18. How does the problem affect learning? Teaching? Climate? Culture?
19. Does this have to do with teacher knowledge? Planning?
20. What is the tone feeling of the school?

# Appendix D Integrated Action Plan Worksheet

Primary Need #1	Primary Need: (head of fishbone)	
	Root Cause:	
	Needs Statement: (tale of fishbone)	
	Desired Outcome: (Needs statement restated in a positive)	
	SMART Goal: (If the primary need is fixed how will your % proficient be affected?)	
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)

Primary Need #2	Primary Need: (head of fishbone)	
	Root Cause:	
	Needs Statement: (tale of fishbone)	
	Desired Outcome: (Needs statement restated in a positive)	
	SMART Goal: (If the primary need is fixed how will your % proficient be affected?)	
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)

Primary Need #3	Primary Need: (head of fishbone)	
	Root Cause:	
	Needs Statement: (tale of fishbone)	
	Desired Outcome: (Needs statement restated in a positive)	
	SMART Goal: (If the primary need is fixed how will your % proficient be affected?)	
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)

Primary Need #4	Primary Need: (head of fishbone)	
	Root Cause:	
	Needs Statement: (tale of fishbone)	
	Desired Outcome: (Needs statement restated in a positive)	
	SMART Goal: (If the primary need is fixed how will your % proficient be affected?)	
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)
	Strategy:	Action Steps: (List all your Planning Strategies form your planning worksheet)

# Appendix E Evidence Based Summary Form

- |  |                                   |
|--|-----------------------------------|
| LEA Grade                              | LEA Community                     |
| <input type="checkbox"/> Preschool     | <input type="checkbox"/> Urban    |
| <input type="checkbox"/> Elementary    | <input type="checkbox"/> Rural    |
| <input type="checkbox"/> Middle School | <input type="checkbox"/> Suburban |
| <input type="checkbox"/> High School   |                                   |

## Research Summary

- | Target grade                           | Community                         | ESSA Rating                        | Effect Size   |
|--|-----------------------------------|------------------------------------|---|
| <input type="checkbox"/> Preschool     | <input type="checkbox"/> Urban    | <input type="checkbox"/> Strong    | <input type="checkbox"/> 0.0 to .39 (not recommended)       |
| <input type="checkbox"/> Elementary    | <input type="checkbox"/> Rural    | <input type="checkbox"/> Moderate  | <input type="checkbox"/> 0.4 to .49 (1-year growth)         |
| <input type="checkbox"/> Middle School | <input type="checkbox"/> Suburban | <input type="checkbox"/> Promising | <input type="checkbox"/> 0.5 and above (highly recommended) |
| <input type="checkbox"/> High School   |                                   |                                    |   |

Program or Strategy Description or Research Paper Abstract:  
Please upload research report and/or job description to support your strategy to related documents.

\*Please include website if applicable:

If you have any questions or need support, contact your Education Program Specialist.

# Appendix F Required Budget Detail Example

## 6100 Salaries

Instruction 1000 (direct contact with students)		
Function Code	Object Code	Total Amount
salaries	6100	Board adopted hourly rate

Detail needed: # of staff x # of hours x hourly rate =total  
 What is the pay for?

Support Services 2100, 2200, 2600,2700		
Function Code	Object Code	Total Amount
salaries	6100	Board adopted hourly rate

Detail needed: # of staff x # of hours = total  
 What is the pay for? (Example: after contract day PL)

## 6300 Purchased Professional Services

Support Services 2100, 2200, 2600,2700		
Function Code	Object Code	Total Amount
Purchased Professional Services	6300	TBD based on provider services

Professional Learning Activities  
 o Detail needed: Who? What? When? For whom? How much? # of days x daily rate=  
 Conference registration  
 Detail needed: Conference name, location? length? cost x # of staff =  
 Educational Service Provider (external provider)  
 Detail needed: Who? What? When?  
 # of days x daily rate =

## 6500 Other Purchased Services

Support Services 2100, 2200, 2600,2700		
Function Code	Object Code	Total Amount
Other purchased services	6500	TBD

Travel expenses related to conferences attended by staff.  
 O Detail needed: Transportation cost x # of staff=  
 Hotel room cost x nights x # of staff=  
 Per Diem x # days x # of staff=

# Appendix G Revision Example

Must note revision # and date of revision, **DO NOT DELETE ANY OF THE ORIGINAL NARRATIVE!**

\$ Amount to line item, added specifically for what

\$ Amount subtracted from line item, originally for what

Double check math (Total in the narrative must match the total cost in each category).

Use a different color font.

Object Code	Function Code	Project Time (FTE)	Quantity	Salary, Rental, or Unit Cost	Line Item Total
6300 - Purchased Professional Services					
<b>Narrative Description</b>					
Revision 1 - 5.13.16 - Add \$1215.00 of funds to be used for registration fees for Scrum Gathering Conference (AGILE) for the BPHS principal as part of the leadership team of Blueprint Education This is from the \$1215.00 of funds to be deleted from external provider, John Miller to train staff and implement systems to utilize AGILE.					
Total for 6300 - Purchased Professional Services					
Total for all other Object Codes					
Total for all Object Codes					
Adjusted Allocation					
Remaining					

6500 - Other Purchased Services \$973.76

Object Code	Function Code	Project Time (FTE)	Quantity	Salary, Rental, or Unit Cost	Line Item Total
6500 - Other Purchased Services					
<b>Narrative Description</b>					
Revision 1 - 5.13.16 - Add \$973.76 of funds to be added and used for food, lodging and transportation to Scrum gathering (AGILE) for the BPHS principal as part of the leadership team of Blueprint Education. These funds come from \$973.76 of funds to be deleted from external provider, John Miller to train staff and implement systems to utilize AGILE.					
Total for 6500 - Other Purchased Services					
Total for all other Object Codes					
Total for all Object Codes					
Adjusted Allocation					
Remaining					

Object Code	Function Code	Project Time (FTE)	Quantity	Salary, Rental or Unit Cost	Line Item Total
6100 - Salaries					
<p>2.0 FTE - Behavior Specialist/Counselor/Learning Support Coordinator would be a 10 month position (teacher contract) to support and improve student achievement for all students with emphasis and focus on developing the skills and talents of students of all ability levels, both traditional and nontraditional learners through rigorous learning experiences. They are an emphasis on character development, laughter, and joy, and respect for all diversity. Provide referrals for individual and family counseling to outside and tribal resources, to include intervention and referral for students with alcohol and other drug related problems. These positions will also act as liaison to families, staff and outside tribal agencies. (1 FTE Behavioral Specialist= \$51,600 + .50 FTE Counselor= \$27,936 + .50 FTE Learning Support Coord. = \$28,892.16 for a total of 2.0 FTE= \$108,428.16)</p> <p>1.50 FTE - School Improvement Specialist would be a 12 month position to work with principal on improvement plan as well as help as the Instructional coach and data analysis (1 FTE SIS= \$66,233 &amp; .50 FTE SIS = \$35,172.50 for a total of 1.50 FTE= \$101,405.50)</p>					
<p>Amendment #1 (3/10/16)</p> <p>Professional Development:            Outside professional contracted services will come in and do coaching and other PD related activities that align with AVID, UVA and our districts goals/objectives.            With the addition of paying teachers to come in during the summer break and working on Curriculum Mapping for core subjects (Reading, Math, Social Studies, and Science)</p> <p>Curriculum Mapping (est. 20 teachers X \$714.50 stipend = \$ 14,290)            Estimated cost is \$14,290.</p> <p>Amendment #2 (5/16/16) Reduce Support Services by \$6,310 to move towards 6300/2213 budget</p>					

## Appendix H Grants Management Staff will monitor Monthly Reimbursement Requests

Reimbursement requests must be made monthly unless no funds were expended that month. Required documentation uploaded into Reimbursement Related Documents:

Detailed expenditure report (Visions grants management report) and a payroll report if applicable.

If you do not use Visions, the information required is in the table below. Work with your EPS on acceptable format from your specific accounting system.

Date	Reference #	Requisition #	PO/ship #	Vendor Name	Amount
08/29/2014	INV#369293			SCHOOL MART	

### Completion Reports

Project end date is Sept. 30, 2019

Completion Reports (CR) are due Dec. 30, 2019

It is important to note that once the CR has been started no reimbursement requests can be made.

Support and Innovation Required CR related documents:

Detailed Expense Report including payroll (grants management report in Visions) that includes all expenditures with vendors. If journaling occurred, verification of vendor for those items is required.

## Arizona Charter School Program Evaluator Qualifications

Evaluators should have experience in one or more of the following areas:

1. Leadership of a charter school which has been open for more than three years and has demonstrated success in improving learning outcomes for its students.
2. Government or nonprofit charter school policy experience.
3. Previously served as an evaluator for US ED competitive grants.
4. Experience in auditing or financially advising charter school organizations.
5. Evaluation experience as a staff member for a charter school authorizer.

## Guskey's Five Critical Levels of Professional Development Evaluation

Evaluation Level	Typical Questions Addressed	Typical Info. Gathering Methods	What is Measured or Assessed?	How Will Information Be Used?
1. Participants' Reactions	<ul style="list-style-type: none"> <li>• Did participants like it?</li> <li>• Was time well spent?</li> <li>• Did the material make sense?</li> <li>• Will it be useful?</li> <li>• Was the presenter knowledgeable?</li> <li>• Did the physical conditions of the activity support learning?</li> </ul>	<ul style="list-style-type: none"> <li>• Questionnaires administered at the end of sessions.</li> <li>• Focus groups</li> <li>• Interviews</li> <li>• Personal learning log</li> <li>• MeetingWorks internet-based sessions</li> <li>• Analysis of threaded discussion forums</li> </ul>	<ul style="list-style-type: none"> <li>• Initial satisfaction with experience.</li> </ul>	<ul style="list-style-type: none"> <li>• To improve program delivery and design</li> </ul>
2. Participants' Learning	<ul style="list-style-type: none"> <li>• Did participants acquire the intended knowledge or skill?</li> </ul>	<ul style="list-style-type: none"> <li>• Paper and pencil tests</li> <li>• Simulations and demonstrations</li> <li>• Participant reflections (oral and/or written)</li> <li>• Participant portfolios</li> <li>• Case study analysis</li> <li>• MeetingWorks internet-based sessions</li> <li>• Analysis of threaded discussion forums</li> </ul>	<ul style="list-style-type: none"> <li>• New knowledge and/or skills of participants</li> </ul>	<ul style="list-style-type: none"> <li>• To improve program content, format, and organization</li> </ul>

<b>Evaluation Level</b>	<b>Typical Questions Addressed</b>	<b>Typical Info. Gathering Methods</b>	<b>What is Measured or Assessed?</b>	<b>How Will Information Be Used?</b>
3. Organization support and change	<ul style="list-style-type: none"> <li>• What was the impact on the organization?</li> <li>• Did it affect organizational climate or procedures?</li> <li>• Was implementation advocated, facilitated, and supported?</li> <li>• Was the support public and overt?</li> <li>• Were problems addressed quickly and efficiently?</li> <li>• Were sufficient resources made available?</li> <li>• Were successes recognized and shared?</li> </ul>	<ul style="list-style-type: none"> <li>• District and school records</li> <li>• Minutes from meetings</li> <li>• Questionnaires</li> <li>• Focus groups</li> <li>• Structured interviews with participants and school or district administrators</li> <li>• Participant portfolios</li> <li>• MeetingWorks internet-based sessions</li> <li>• Analysis of threaded discussion forums</li> </ul>	<ul style="list-style-type: none"> <li>• The organization's advocacy, support, accommodations, facilitation and recognition</li> </ul>	<ul style="list-style-type: none"> <li>• To document and improve organizational support</li> <li>• To improve future change efforts</li> </ul>
4. Participants' use of new knowledge or skills	<ul style="list-style-type: none"> <li>• Did participants effectively apply the new knowledge and skills?</li> </ul>	<ul style="list-style-type: none"> <li>• Questionnaires</li> <li>• Structured interviews with participants and their supervisors</li> <li>• Participant reflections (oral and/or written)</li> <li>• Participant portfolios</li> <li>• Direct observations</li> <li>• Video or audio tapes</li> <li>• Concerns-based Adoption Model</li> </ul>	<ul style="list-style-type: none"> <li>• Degree and quality of information</li> </ul>	<ul style="list-style-type: none"> <li>• To document and improve the implementation of program content</li> </ul>

<b>Evaluation Level</b>	<b>Typical Questions Addressed</b>	<b>Typical Info. Gathering Methods</b>	<b>What is Measured or Assessed?</b>	<b>How Will Information Be Used?</b>
5. Student Learning Outcomes	<ul style="list-style-type: none"> <li>• What was the impact on students?</li> <li>• Did it affect student performance or achievement?</li> <li>• Did it influence students' physical or emotional well-being?</li> <li>• Are students more confident as learners?</li> <li>• Is student attendance improving?</li> <li>• Are dropouts decreasing?</li> </ul>	<ul style="list-style-type: none"> <li>• Student records</li> <li>• School records</li> <li>• Questionnaires</li> <li>• Structured interviews with students, parents, teachers, and/or administrators</li> <li>• Participant portfolios</li> </ul>	<ul style="list-style-type: none"> <li>• Student learning outcomes:               <ol style="list-style-type: none"> <li>1. cognitive (performance and achievement)</li> <li>2. affective ( attitudes and dispositions)</li> <li>3. psychomotor (skills and behavior)</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• To focus and improve all aspects of program design, implementation, and follow-up</li> <li>• To demonstrate the overall impact of professional development</li> </ul>



Arizona Charter Schools Program  
Arizona Department of Education

Mission: AZ Charter School Program Ensures High-Quality Educational Choices by  
Selecting, Monitoring, and Assisting Transformative Leaders

## Arizona Charter Schools Program Start-up Grant Project Years 2019-21 Subgrantee\* Application

*\* In compliance with Uniform Guidance 2 CFR §200.330, AZCSP awardees have been determined to be subrecipients of CFDA 84.282 A awarded to the Arizona Department of Education, Charter Schools Program, October 1, 2015. Subrecipients will also be known as non-federal entities. ESSA Part C, Sec. 4302 (c) Prior Grants and Subgrants. - The recipient of a grant or subgrant under part B of title V (as such part was in effect on the day before the day of enactment of the Every Student Succeeds Act) shall continue to receive funds in accordance with the terms and conditions of such grant or subgrant.*

### Eligibility

Any Arizona not-for-profit entity may apply for this grant.

The proposed school shall meet one of the following definitions of educationally disadvantaged:

- 1) A school serving at least 40% racially and ethnically diverse students; or
- 2) A school serving at least 40% economically disadvantaged students eligible for federal lunch program support; or
- 3) A school serving at least 40% students with identified disabilities per IDEA; or
- 4) A school serving at least 40% English Language Learners (ELL).

### Application Evaluation

The AZCSP grant is aligned with the US Department of Education Charter Schools Program Priorities and the submitted application will be scored in light of these priorities. All applicants will be subject to review of previous state and federal education performance. 2 CFR §200.205 (1)

The Evaluation Criteria are provided to assist in meeting the expectations of the application. It is not the application.

### Application Submission

In preparing the application for submission, use 12-point Times New Roman, Arial or Calibri font, double line spacing, and 1-inch margins. Tables may be in an 11-point font.

Submit in pdf format to [REDACTED]

Application deadline is **Monday, October 2, 2017 by 11:59 PM (MST)**

## Application Assistance

In-person application assistance is available in public trainings provided by AZCSP staff. Locations and dates are posted on the AZCSP webpage: <http://www.azed.gov/charter-school-program/>. Important written information regarding the application, its policies and procedures are also located on the AZCSP web page. AZCSP recommends applicants to attend the public training opportunities and to use the resources provided.

### AZCSP 2019-21 Application

Federal Financial Accountability and Transparency Act (FFATA) requires the applicant <sup>1</sup> to answer the following six questions:		
1	I have registered my charter entity at the System for Award Management (SAM.gov) and have a current DUNS Number. (Y/N)	
2	If awarded, I agree to submit a signed General Statement of Assurance and W-9 to Grants Management Enterprise. (Y/N)	
Primary Place of Performance (POP) Information		
3	POP City	
4	POP State	
5	POP Zip Code	
6	Please provide a short description of your project in no more than two sentences.	

#### School Operation Schedule

Please check one and only one of the following:		
1	The School opened for students August 2016. (Eligible for one Project Year of Implementation funds.)	
2	The School opened for students August 2017. (Eligible for two Project Years of Implementation funds.)	
3	The School will open for students August 2018. (Eligible for three Project Years of Planning and Implementation funds.)	
4	The School will open for students August 2019. (Eligible for three Project Years of Planning and Implementation funds.)	

#### School Description

Please complete the following questions:		
1	Grades the school will serve. (The grades served must match the grades listed in the current or proposed charter application.)	
2	Estimated student enrollment after three concurrent years of operation. (Student enrollment may not exceed the current or proposed enrollment cap in its charter application.)	

Check one and only one of the following:		
1	A school serving at least 40% racially and ethnically diverse students	
2	A school serving at least 40% economically disadvantaged or neglected/homeless students	
3	A school serving at least 40% students with identified disabilities per IDEA	
4	A school serving at least 40% English Language Learners	

<sup>1</sup> The entity submitting the application.

**A. ESEA 5203 Compliance – Non Scoring Section.** *(It is recommended that applicants review the following citations from ESEA Part B. Failure to address them accurately and completely will disqualify the application from consideration. Links to ESEA Part B 5201-10, CSP Nonregulatory Guidance, and Office of Management & Budget Uniform Guidance can be found at AZCSP Website.)*

1. A description of the administrative relationship between the charter school and the authorized<sup>2</sup> public chartering agency. *ESEA, Part B, Sec. 5203 (b)(3)(D)*

*Enter response here*

2. A description of how the authorized public chartering agency will provide for continued operation of the school once the Federal grant has expired, if such agency determines that the school has met the objectives. *ESEA, Part B, Sec. 5203 (b)(3)(F)*

*Enter response here*

3. A request and justification for waivers of any Federal statutory or regulatory provisions that the eligible applicant believes are necessary for the successful operation of the charter school, and a description of any State or local rules, generally applicable to public schools, that will be waived for, or otherwise not apply to, the school. *ESEA, Part B, Sec. 5203 (b)(3)(G)*

*Enter response here*

4. A description of how students in the community will be informed about the charter school. *ESEA, Part B, Sec. 5203 (b)(3)(I)(i)*

---

<sup>2</sup> Active authorizers in Arizona include the following: Arizona State Board for Charter Schools as defined in ARS § 15-182 and a community college or a university whose charter application process conforms to ARS § 15-183.

*Enter response here*

5. A description of how students in the community will be given an equal opportunity to attend the charter school. *ESEA, Part B, Sec. 5203 (b)(3) (I)(ii) and ESEA, Part B, Sec. 5210 (1)(H). Refer also to 2014 CSP Non Regulatory Guidance, Section E*

*Enter response here*

SAMPLE



**B. Executive Summary - Non Scoring Section.** (Max 1000 words - *It is recommended that applicants review the following citations from ESEA Part B. Failure to address them accurately and completely will disqualify the application from consideration. Links to ESEA Part B, Non regulatory Guide and Office of Management & Budget Uniform Guidance can be found at AZCSP Website.*)

1. A description of the education program to be implemented by the proposed charter school, including
  - i. How the program will enable all students to meet challenging State student academic achievement standards;
  - ii. The grade levels or ages of children to be served; and
  - iii. The curriculum and instructional practices to be used.

*ESEA, Part B, Sec. 5203 (b)(3)(A)*

*Enter response here*

2. A description of the objectives of the charter school and the methods by which the charter school will determine its progress toward achieving those objectives. *ESEA, Part B, Sec. 5203 (b)(3)(C)*

*Enter response here*

**C. Charter Entity Founders – Total points possible: 40 points**

1. Provide a clear and concise mission statement aligned with the needs of educationally disadvantaged students - **Non Scoring Section.** (Max 75 words)

*Enter response here*

2. Describe the background of the applicant’s founders/leaders and their past experience to support the successful planning and implementation of the school. *2 CFR §200.205, ESEA, Part B, Sec. 5204 (a) - Non Scoring Section.*

*Enter response here*

3. Participate in a Capacity Interview<sup>3</sup> to be scheduled by AZCSP. **(15 points)**
4. Using the most recent data available, select the appropriate table below to enter the percentage of disadvantaged students in a previous school or classroom managed by the applicant that passed the state assessment. *2 CFR §200.331 (b)(1)* **(15 Points)**

Table 1

Academic Year <sup>4</sup>	State	School Name	Position	State Assessment used	% of disadvantaged students passing Math & Reading	
					Math	Reading

*Use this box to provide source documentation to support the submission in the above table.*

Table 2

Academic Year	State	School Name	Position	State Assessment or Independent Benchmark Assessment <sup>5</sup> used	% of disadvantaged students passing Math & Reading	
					Math	Reading

*Use this box to provide source documentation to support the submission in the above table.*

<sup>3</sup> A standardized interview conducted to gauge the applicant's actual or potential ability to perform.

<sup>4</sup> Submit the full academic year; i.e., FY 15-16.

<sup>5</sup> An assessment that is free from out-side control demonstrating a comparison of student understanding or performance against a set of uniform standards within the same school year.

Table 3

Academic Year	State	School Name	Position	Locally Developed Assessment <sup>6</sup> used	% of disadvantaged students passing Math & Reading	
					Math	Reading

*Use this box to provide source documentation to support the submission in the above table.*

- Define the geographical and demographic community the charter school will serve; provide the supporting data on how the applicant would address the needs of the defined community; name community partners and how they will assist the planning and implementation of the school. *ESEA, Part B, Sec. 5204 (b)(3)* **(10 points)**

*Enter response here*

**D. Governance – Total points possible: 25 points**

- Describe how the charter school will be governed and managed. An organizational structure chart shall be submitted. *ESEA, Part B, Sec. 5203 (b)(3)(B)*

*Enter response here - Failure to address the question completely will disqualify the application from consideration.*

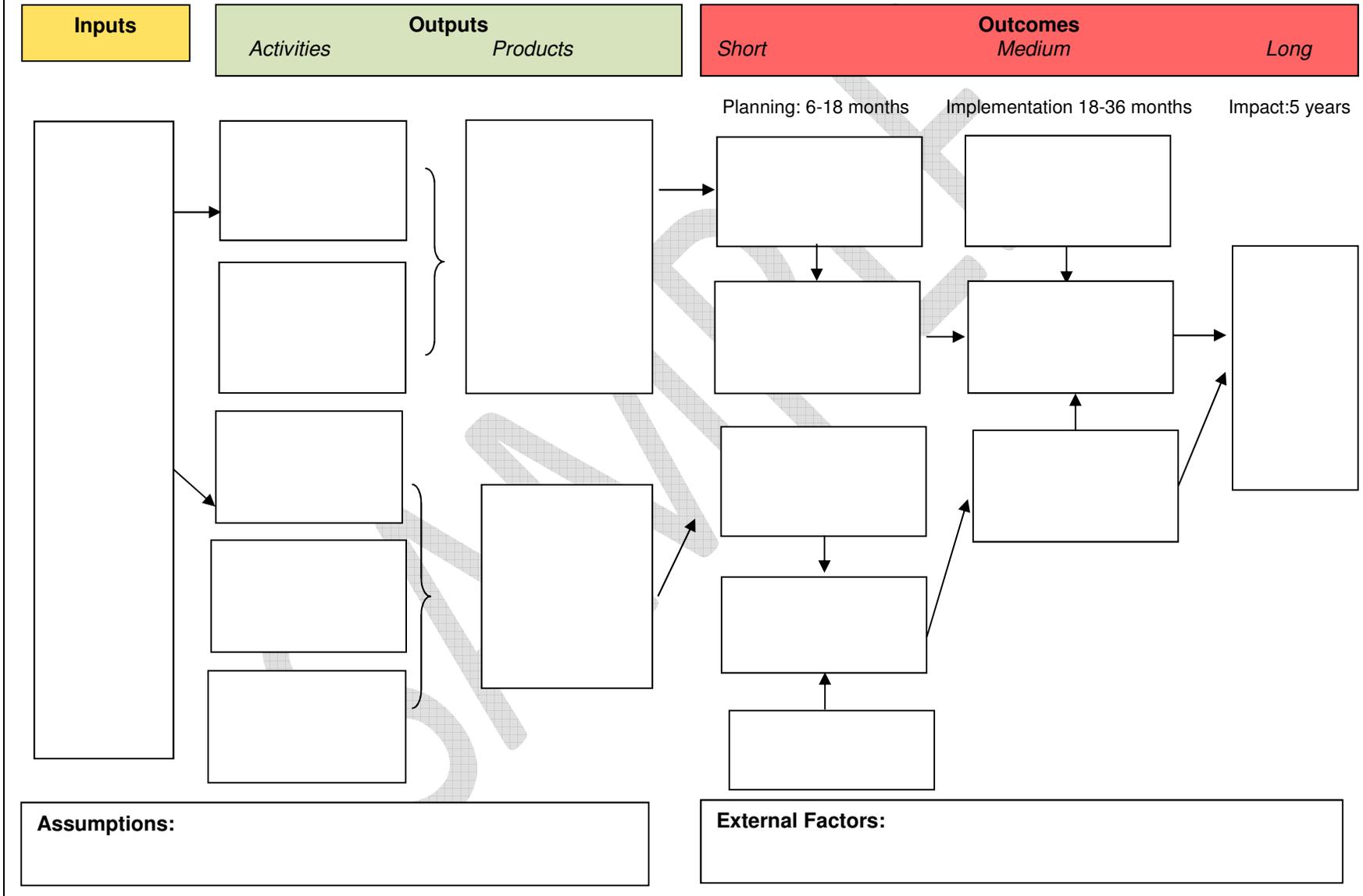
- Describe how the governing authority will create and monitor the strategic planning and implementation of the school using the logic model template provided. See the Logic Model Components Definitions in “Terms to Know”

<https://cms.azed.gov/home/GetDocumentFile?id=59556e7e3217e10f0055e755>

<sup>6</sup> A local assessment consists of a formal set of assessment approaches and tools developed or selected by school(s) to meet their own needs. It is distinct from assessments developed by an individual classroom teacher for his or her own purpose. Reliability and validity of the assessment must be included in the description.

## Arizona Charter Schools Program Logic Model

Project's Objectives:



3. What is the succession plan for governing body members and key school leadership to sustain the school's mission?

*Enter response here*

4. Describe how the charter school that is considered a local educational agency under ARS§15-181 will comply with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act. *ESEA, Part B, Sec. 5203 (b)(3)(L)*

*Enter response here*

**E. Leadership – Total points possible: 25 points**

1. What process is in place or will be in place to develop challenging curriculum including supplemental curriculum aligned with the state standards that meets the unique needs of disadvantaged students?

*Enter response here*

2. What process is in place or will be in place to design and implement instructional practices aligned with the curriculum to meet the unique needs of disadvantaged students?

*Enter response here*

3. What process is in place or will be in place to develop a comprehensive academic assessment system to measure the performance of disadvantaged students?

*Enter response here*

4. What process is in place or will be in place to recruit, select, and hire quality educators?

*Enter response here*

5. What process is in place or will be in place to monitor and measure educator effectiveness?

*Enter response here*

6. What process is in place or will be in place to engage leaders and instructional staff members in reflective self-assessment and school-wide assessment to identify areas for continuous improvement that aligns with the school's mission?

*Enter response here*

**F. Budget Form and Narrative – Total points possible: 10 points**

1. Provide a description of how awarded funds will be used. *ESEA, Part B, Sec. 5203 (b)(3)(H)*. Include job descriptions for salaries supported by the grant.

*Enter response here*

2. Description of how the funds will be used in conjunction with other federal programs. *ESEA, Part B, Sec. 5203 (b)(3)(H)* - **Non Scoring Section.**

*Enter response here*

LINE ITEMS DESCRIPTION			
Function Code	Object Code	Description	Budgeted Amount
<b>Instruction 1000</b>			
Salaries	6100		0.00
Employee Benefits	6200		0.00
Purchased Professional Services	6300		0.00
Purchased Property Services	6400		0.00
Other Purchased Services	6500		0.00
Supplies	6600		0.00
Other Expenses	6800		0.00
<b>Support Services 2100, 2200, 2600, 2700</b>			
Salaries	6100		0.00
Employee Benefits	6200		0.00
Purchased Professional Services	6300		0.00
Purchased Property Services	6400		0.00
Other Purchased Services	6500		0.00
Supplies	6600		0.00
Other Expenses	6800		0.00
<b>Support Services - Admin 2300, 2400, 2500, 2900</b>			
Salaries	6100		0.00
Employee Benefits	6200		0.00
Purchased Professional Services	6300		0.00
Purchased Property Services	6400		0.00
Other Purchased Services	6500		0.00
Supplies	6600		0.00
Other Expenses	6800		0.00
<b>Operation of Non-Instructional Services 3000</b>			
Salaries	6100		0.00
Employee Benefits	6200		0.00
Purchased Professional Services	6300		0.00
Purchased Property Services	6400		0.00
Other Purchased Services	6500		0.00
Supplies	6600		0.00
Other Expenses	6800		0.00
<b>Capital Outlay</b>			
Capital Assets	190		0.00

**Max points possible: 100 points**



Arizona Charter School Program  
Arizona Department of Education

Mission: AZ Charter School Program Ensures High-Quality Educational Choices by  
Selecting, Monitoring, and Assisting Transformative Leaders

**Important Note: This document is not the application itself. It is the evaluation criteria for reviewers to score the application. It may also serve as a guide for applicants to assist in meeting the expectations of the application.**

## AZCSP 2019-21 Application Evaluation Criteria

*Failure to address the FFATA, the School Operation Schedule, and School Description completely will disqualify the application from consideration.*

### A. ESEA 5203 Compliances – Non scoring

Element	Rating Description
ESEA 5203 (b)(3) D)	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>
ESEA 5203 (b)(3)(F)	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>
ESEA 5203 (b)(3)(G)	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>
ESEA 5203 (b) (I) (i)	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>
ESEA 5203 (b)(3) (I)(ii), ESEA 5210 (1)(H), and CSP Non Regulatory Guidance Section E	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>

*Failure to sign the Assurances will disqualify the application from consideration.*

### B. Executive Summary - Non Scoring (Max 1000 words)

Element:

1. A description of the education program to be implemented by the proposed charter school.
2. A description of the objectives of the charter school and the methods by which the charter school will determine its progress toward achieving those objectives.

### C. Charter Entity Founders – Total points possible: 40 points

Element:	Rating Description
1. Provide a clear and concise mission statement aligned with the needs of disadvantaged students. (Max 75 words)	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>
2. Describe the background of the founders/leaders including their experience in supporting the successful planning and implementations of the school.	<i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i>
3. Capacity Interview	15 points scored by the AZCSP staff
4. Provide evidence that demonstrates the applicant's ability to improve academic achievement in reading and math with disadvantaged students *. Evidence must include data from reliable, research-based assessment/benchmarks that identifies the percentage of students who met standards.	<p>1) <b>F</b> – The applicant <b>did not</b> provide evidence of academic improvement in growth or percent passing on the state assessment among disadvantaged students.</p> <p>2) <b>A</b> - The applicant provided evidence that <b>fewer than 50%</b> of disadvantaged students served by the applicant passed the state assessment in math and reading.</p> <p>3) <b>M</b> - The applicant provided evidence that <b>at least 50%</b> of disadvantaged students served by the applicant passed the state assessment in math and reading.</p> <p>4) <b>E</b> - The applicant provided evidence that <b>at least 75%</b> of disadvantaged students served by the applicant passed the state assessment in math and reading.</p>
Evidence:	
5. Define the community the charter school will serve, provide the supporting data on how the applicant would address the needs of the defined community, and name community partners and how they will assist the planning and implementation of the school.	
a) What are the distinctive characteristics of the target community?	<p>1) <b>F</b> - The applicant <b>has not provided</b> evidence that defined the community and partners.</p> <p>2) <b>A</b> - The applicant <b>has provided little evidence</b> of area demographics, target student population data, crimes stats, health data that defined the community and partners.</p>

	<p>3) <b>M</b> - The applicant <b>has provided sufficient evidence</b> of area demographics, target student population data, crimes stats, health data that defined the community and partners.</p> <p>4) <b>E</b> - The applicant <b>has provided evidence based on extensive research</b> such as area demographics, target student population data, crimes stats, health data that defined the community and identified partners.</p>
Evidence:	
<p>b) What are the academic needs of the community? What is the supporting data?</p>	<p>1) <b>F</b> - The applicant <b>has not provided</b> evidence that defined the needs of the community.</p> <p>2) <b>A</b> - The applicant <b>has provided little evidence</b> such as school academic data that defined the needs of the community.</p> <p>3) <b>M</b> - The applicant <b>has provided sufficient evidence</b> such as school academic data that defined the needs of the community.</p> <p>4) <b>E</b> - The applicant <b>has provided evidence based on extensive research</b> such as school academic data that defines the needs of the community.</p>
Evidence:	
<p>c) What are the major challenges the charter school would face? What is the plan to address those challenges?</p>	<p>1) <b>F</b> - The applicant <b>has not provided</b> evidence that defines its challenges and their plan to address their challenges.</p> <p>2) <b>A</b> - The applicant <b>has provided little evidence</b> such as attendance, transportation, before and after school needs, parent participation, target student population data that defines its challenges and their plan to address their challenges.</p> <p>3) <b>M</b> - The applicant <b>has provided sufficient evidence</b> such as attendance, transportation, before and after school needs, parent participation, target student population data that defines its challenges and their plan to address their challenges.</p> <p>4) <b>E</b> - The applicant <b>has provided evidence based on extensive research</b> such as attendance, transportation, before and after school needs, parent participation, target student population data that defines its</p>

	<p>challenges and their plan to address their challenges.</p> <p>The applicant has identified and developed relationships/partnership with community and neighborhood groups or associations.</p>
Evidence:	

Section C	F – 1	A – 2	M – 3	E – 4
1.				
2.				
3.	<i>Scored by AZ CSP</i>			
4.				
5 a.				
5 b.				
5 c.				
			<b>Points earned:</b>	<b>/40</b>

**D. Governance – Total points possible: 25 points**

Element:	Rating Description
<p>1. Describe how the charter school will be governed and managed. An organizational structure chart shall be submitted.</p>	<p>1) <b>F</b> - The governing body <b>has not developed an organizational structure.</b></p> <p>2) <b>A</b> - The governing body <b>has developed an organizational structure</b> but it is poorly defined and lacks clarity.</p> <p>3) <b>M</b> - The governing body <b>has developed an organizational structure.</b> The reporting structure within the organization <b>ensures</b> the decisions and actions are in accordance with defined roles and responsibilities of the governing body.</p> <p>4) <b>E</b> - The governing body <b>has developed an organizational structure.</b> The reporting structure within the organization <b>ensures</b> the decisions and actions are in accordance with defined roles and responsibilities of the governing body. <b>The succession plan and organizational structure are consistent throughout the organization.</b></p>
Evidence:	
<p>2. Describe how the governing authority will create and monitor the strategic plan using the logic model template</p>	<p>1) <b>F</b> - There is <b>no alignment</b> between goals, inputs, activities, outputs, outcomes; activities and outcomes cannot be measured.</p>

<p>provided.</p>	<p>2) <b>A</b> - The governing body <b>has developed a strategic plan</b> but lacks alignment; activities and outcomes are not reasonable/realistic; resources are not clearly related to or supportive of activities.</p> <p>3) <b>M</b> - The governing body <b>has developed a strategic plan</b> which has reasonable linkages and plausible connections for most components; outcomes are mixed; resources are not clearly related to or supportive of activities.</p> <p>4) <b>E</b> - The governing body <b>has developed a sustainable strategic plan</b> in which <b>ALL</b> components are clearly aligned; activities and outcomes are reasonable and can be measured; resources are clearly defined and related to direct support of activities.</p>
<p>Evidence:</p>	
<p>3. What is the succession plan for governing body members and key school leadership to sustain the school's mission?</p>	<p>1) <b>F</b> - The governing body <b>has not developed or is at the beginning stage of developing</b> a succession plan for board members and key school leaders.</p> <p>2) <b>A</b> - The governing body <b>has developed</b> a succession plan for board members and key school leaders but <b>lacks sustainability</b>.</p> <p>3) <b>M</b> - The governing body <b>has a sound succession plan</b> for governing board members and key school leaders <b>who are advocates for the school's mission and improvement efforts</b>.</p> <p>4) <b>E</b> - The governing body <b>has a sound succession plan</b> for governing board members and key school leaders <b>who are advocates for the school's mission and improvement efforts</b>. The plan <b>provides opportunities for professional growth</b> for leaders to sustain the school's mission.</p>
<p>Evidence:</p>	
<p>4. Describe how the charter school will comply with sections 613(a)(5) and 613(e)(1)(B) of the Individuals with Disabilities Education Act.</p>	<p><i>Non Scoring - Failure to address the question completely will disqualify the application from consideration.</i></p>

Section D	F - 1	A - 2	M - 3	E - 4
1.				

2.				
3.				
4.				
			<b>Points earned:</b>	<b>/25</b>

**E. Leadership – Total points possible: 25 points**

Element:	Rating Description
<p>1. What process is in place or will be in place to develop challenging curriculum including supplemental curriculum aligned with the state standards that meets the unique needs of disadvantaged students?</p>	<p>1) <b>F</b> - The applicant <b>has not developed or is at the beginning stage of developing</b> a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum aligned with the state standards based on clearly defined and measurable expectations for student learning.</p> <p>2) <b>A</b> - The applicant <b>has developed</b> a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum aligned with the state standards. <b>The system lacks cohesiveness or alignment with school’s purpose.</b></p> <p>3) <b>M</b> - The applicant <b>has developed</b> a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum aligned with the state standards based on clearly defined and measurable expectations for student learning. The system demonstrates <b>evidence of alignment</b> between the curriculum and the school’s purpose <b>with systematic implementation across the school.</b></p> <p>4) <b>E</b> - The applicant <b>has developed</b> a system to create, implement, evaluate, and revise school curriculum including supplemental curriculum aligned with the state standards based on clearly defined and measurable expectations for student learning. The system demonstrates a <b>formalized process</b> of alignment with the curriculum and the school’s purpose <b>with systematic and sustainable</b> implementation across the school.</p>
Evidence:	
<p>2. What process is in place or will be in place to design and implement</p>	<p>1) <b>F</b> - The applicant <b>has not yet developed or is at the beginning stage of developing</b> a</p>

<p>instructional practices aligned with the curriculum to meet the unique needs of disadvantaged students?</p>	<p>system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices.</p> <p>2) <b>A</b> - The applicant <b>has developed</b> a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices. <b>The system lacks alignment with the curriculum and school’s purpose.</b></p> <p>3) <b>M</b> - The applicant <b>has developed</b> a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices. The system demonstrates <b>evidence of alignment</b> with the curriculum and the school’s purpose with <b>systematic implementation across the school.</b></p> <p>4) <b>E</b> - The applicant <b>has developed</b> a system to design, implement, evaluate, and adjust instructional methodology which is proven, research-based, and reflective of best practices. The system demonstrates <b>a formalized process</b> of alignment with the curriculum and the school’s purpose with <b>systematic and sustainable</b> implementation across the school.</p>
<p>Evidence:</p>	
<p>3. What process is in place or will be in place to develop a comprehensive academic assessment system to measure the performance of disadvantaged students?</p>	<p>1) <b>F</b> - The applicant <b>has not developed or is at the beginning stage of developing</b> a comprehensive academic assessment system based on clearly defined performance measures.</p> <p>2) <b>A</b> - The applicant <b>has developed</b> an academic assessment system based on clearly and defined performance measures. <b>The system is not comprehensive nor aligned with the curriculum and instructional practices.</b></p> <p>3) <b>M</b> - The applicant <b>has developed</b> a <b>comprehensive</b> academic assessment system based on clearly defined performance measures. <b>The system demonstrates evidence of alignment with the curriculum and instructional practices.</b></p> <p>4) <b>E</b> - The applicant <b>has developed</b> a</p>

	<p><b>comprehensive</b> academic assessment system based on clearly defined performance measures aligned with the curriculum and instructional methodology. <b>The system demonstrates a formalized process to yield reliable, valid, and bias free information to assess student performance on expectations for student learning; to conduct a systematic analysis of instructional effectiveness; to adjust curriculum and instruction systematically in response to data from multiple assessments.</b></p>
<p>4. What process is in place or will be in place to recruit, select, and hire quality educators?</p>	<p>1) <b>F</b> - The applicant <b>has not developed</b> or is at the beginning stage of developing a system to recruit and select educators.  2) <b>A</b> - The applicant <b>has developed an inadequate system</b> that lacks recruiting strategies and criteria to select qualified educators.  3) <b>M</b> - applicant <b>has developed a system</b> with recruiting strategies and criteria to select qualified educators.  4) <b>E</b> - The applicant <b>has developed a comprehensive system</b> to recruit, select, and hire qualified educators to implement adopted curriculum and instructional practices effectively.</p>
<p>Evidence:</p>	
<p>5. What process is in place or will be in place to monitor and measure educator effectiveness?</p>	<p>1) <b>F</b> - The applicant <b>has not developed or is at the beginning stage of</b> designing a framework for monitoring and measuring educator effectiveness.  2) <b>A</b> - The applicant <b>has developed a</b> framework for monitoring and measuring educator effectiveness but <b>lacks fairness, flexibility, and a research-based approach.</b>  3) <b>M</b> - The applicant <b>has developed a</b> framework for monitoring and measuring educator effectiveness which is <b>fair, flexible, and a research-based approach to enhance and improve student learning.</b>  4) <b>E</b> - The applicant <b>has developed a comprehensive framework</b> for monitoring and measuring educator effectiveness. The framework <b>is fair, flexible, and a research-based approach incorporating multiple</b></p>

	<b>measurements of achievement with clearly defined expectations.</b>
Evidence:	
6. What process is in place or will be in place to engage leaders and educators in reflective self-assessment and school-wide assessment that holds all parties accountable to the school's mission?	<p>1) <b>F</b> - The applicant <b>has not yet developed or is at the beginning stage of developing</b> an ongoing process for self-assessment and school-wide assessment.</p> <p>2) <b>A</b> - The applicant <b>has developed an inadequate ongoing process</b> for self-assessment and school-wide assessment. Accountability efforts <b>are not informed</b> by the results of earlier efforts through reflection and assessment.</p> <p>3) <b>M</b> - The applicant <b>has developed an ongoing process</b> for self-assessment and school-wide assessment. Accountability efforts <b>are informed</b> by the results of earlier efforts through reflection and assessment.</p> <p>4) <b>E</b> - The applicant <b>has developed a collaborative and ongoing process</b> for self-assessment and school-wide assessment. Accountability efforts are informed by the results of earlier efforts through reflection and assessment <b>that are sustained and aligned with the school's mission.</b></p>
Evidence:	

Section E	F - 1	A - 2	M - 3	E - 4
1.				
2.				
3.				
4.				
5.				
6.				
			<b>Points earned:</b>	<b>/25</b>

**F. Budget Form and Narrative – Total points possible: 10 points**

Element 1. Complete the budget application.	Rating Description
	1) <b>F</b> – Budget application included <b>only numbers</b> . Job descriptions are not included.
	2) <b>A</b> – Budget description provided <b>few details</b>

	of how funds are to be spent. Partial job descriptions are included.
	3) <b>M</b> – Budget description provided <b>details</b> of how funds are to be spent including job descriptions.
	4) <b>E</b> – Budget description provided <b>details</b> of how funds are to be spent <b>including job descriptions and cost objectives with time lines.</b>
Evidence:	

Section F	F - 1	A - 2	M - 3	E - 4
1.				
			<b>Points earned:</b>	<b>/10</b>

SAMPLE

15-182. State board for charter schools; membership; terms; compensation; duties

A. The state board for charter schools is established consisting of the following members:

1. The superintendent of public instruction or the superintendent's designee.
2. Six members of the general public, at least two of whom shall reside in a school district where at least sixty per cent of the children who attend school in the district meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) for free lunches, and at least one of whom shall reside on an Indian reservation, who are appointed by the governor pursuant to section 38-211.
3. Two members of the business community who are appointed by the governor pursuant to section 38-211.
4. A teacher who provides classroom instruction at a charter school and who is appointed by the governor pursuant to section 38-211.
5. An operator of a charter school who is appointed by the governor pursuant to section 38-211.
6. Three members of the legislature who shall serve as advisory members and who are appointed jointly by the president of the senate and the speaker of the house of representatives.

B. The superintendent of public instruction shall serve a term on the state board for charter schools that runs concurrently with the superintendent's term of office. The members appointed pursuant to subsection A, paragraph 6 of this section shall serve two year terms on the state board for charter schools that begin and end on the third Monday in January and that run concurrently with their respective terms of office. Members appointed pursuant to subsection A, paragraphs 2, 3, 4 and 5 of this section shall serve staggered four year terms that begin and end on the third Monday in January.

C. The state board for charter schools shall annually elect a president and such other officers as it deems necessary from among its membership.

D. Members of the state board for charter schools are not eligible to receive compensation but are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2.

E. The state board for charter schools shall:

1. Exercise general supervision over charter schools sponsored by the board and recommend legislation pertaining to charter schools to the legislature.
2. Grant charter status to qualifying applicants for charter schools pursuant to section 15-183.
3. Adopt and use an official seal in the authentication of its acts.
4. Keep a record of its proceedings.
5. Adopt rules for its own government.
6. Determine the policy of the board and the work undertaken by it.

7. Delegate to the superintendent of public instruction the execution of board policies.

8. Prepare a budget for expenditures necessary for the proper maintenance of the board and the accomplishment of its purpose.

F. The state board for charter schools may:

1. Contract.

2. Sue and be sued.

3. Use the services of the auditor general.

4. Subject to title 41, chapter 4, article 4 and legislative appropriation, employ staff.

G. The state board for charter schools may accept gifts or grants of monies or real or personal property from public and private organizations, if the purpose of the gift or grant specified by the donor is approved by the board and is within the scope of the board's powers and duties. The board shall establish and administer a gift and grant fund for the deposit of monies received pursuant to this subsection.

## Arizona State Board for Charter Schools

Physical Address:  
1616 West Adams Street, Suite 170  
Phoenix, Arizona 85007  
Phone: [REDACTED]  
Fax: [REDACTED]



Mailing Address:  
PO Box 18328  
Phoenix, Arizona 85009

April 17, 2018

The Honorable Elisabeth DeVos  
Secretary of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

Dear Secretary DeVos,

As the President of the Arizona State Board for Charter Schools (Board), I am pleased to provide the Board's endorsement of the Arizona Department of Education's (Department) grant application for the Expanding Opportunity Through Quality Charter Schools Program (CFDA 84.282A).

The Board is not only Arizona's largest charter authorizer, but also the largest independent charter authorizer in the nation with over 550 charter schools under its sponsorship serving nearly 180,000 students statewide – which accounts for 30% of Arizona's public schools. The 11-member Board, comprised of members of the public, education stakeholders, charter leaders, and Arizona's Superintendent of Public Instruction, is dedicated to improving quality education choices in Arizona for all students. In carrying out this mission, collaboration between the Board and the Department is essential and necessary. Due to the high-stakes nature of authorizing decisions, accurate and current school-level data is frequently required. The availability of current data is enabled by the presence of the Superintendent on the Board. In order for the Board to engage in meaningful discussion with charter operators, the Superintendent has frequently facilitated communication and data sharing between Department staff and Board staff.

The Board has rigorous processes and criteria for awarding charter contracts to new operators as well as the expansion and replication of current charter operators. These criteria include meeting the Board's performance expectations, academically, operationally, and financially. The Board is pleased to support the Department's Expanding Opportunity Through Quality Charter Schools Program which will support the creation of new schools to enhance quality educational options for all students, including disadvantaged students.

The Board's rigorous expectations coupled with thoughtful charter growth has resulted in a very high performing charter portfolio for all students attending charter schools. Based on the most recent National Assessment for Educational Progress, Arizona's charter students are significantly outperforming district and private school peers across the state. Additionally, when Arizona's charter students, as a group, are compared to the performance of all other states, they rank first in 8<sup>th</sup> grade mathematics and second in 8<sup>th</sup> grade reading. This status is maintained when results are limited to Hispanic students, which make up 45% of Arizona public school students.

If awarded this grant, the Department will continue its important role of fostering a robust school marketplace. The Board looks forward to continuing its strategic partnership with the Department to hold charter schools accountable and create opportunities for the continued growth of a quality charter sector that continues to improve education for all students, including disadvantaged students.

Please let me know if I can provide any further information in support of this application.





Secretary Betsy DeVos  
U. S. Department of education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

April 13, 2018

Dear Secretary DeVos:

Without hesitation, Arizona's Charter Schools Association stands behind the Arizona Department of Education in its application for the Charter Schools Program (CSP) State Educational Agencies Grant.

We know the funds will be directed towards the creation of high-quality public charter schools for our more struggling and at-risk students. We know this because we have working closely with the Department to implement its current CSP grant. The Department has demonstrated its commitment to quality through their application, interview and monitoring processes as well as its technical assistance to new charter schools.

Further, the Department is a leader in strengthen Arizona's accountability of charter schools. Superintendent Diane Douglas sits on the Arizona State Board for Charter Schools, which is Arizona's primary authorizer of charter schools. Superintendent Douglas finds this work so important that she does not have a designee take this seat but rather attends the monthly meetings herself. The Arizona State Board for Charter Schools conducts high stakes reviews of Arizona charter schools every five years. The Department has worked to provide input on the creation of the State Board for Charter Schools' performance framework and trained leaders throughout Arizona on these expectations.

The State Board for Charter Schools utilizes student accountability data provided by the Department for its renewal decisions. Arizona law requires each authorizer to use academic performance as one of their most important considerations for renewal, and the State Charter Board's results show the increase in the quality of Arizona's charter schools over the last three years.

These efforts by the Department and other charter supporters have led to Arizona's most recent academic performance and gains on the Nation's Report Card. Based on the 2017 NAEP results, if Arizona charter students were a state, they would be leading the country in eighth grade math and reading, and performing in the top quartile for fourth grade reading math and reading.

Please let me know if I can provide any further information in support of this application.

Sincerely,



Eileen Sigmund, Esq.  
President and Chief Executive Officer  
Arizona Charter Association

12439 N. 32<sup>nd</sup> St. Phoenix AZ 85032



## Budget Narrative File(s)

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\* **Mandatory Budget Narrative Filename:**

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## Arizona Charter Schools Program - Budget Narrative

The Arizona Department of Education (ADE) AZ Charter Schools Program (AZ CSP) is requesting a total of [REDACTED] over five Award Years and four No-Cost Extensions for a total of nine years to support the planning, program design, implementation, technical assistance, and ADE administrative costs of 40 charter schools, (eight sub grants per cohort year over five Project Years – See graph on page 6). Selected schools will demonstrate through competitive application their capacity to 1) increase Arizona student achievement, 2) close achievement gaps, and 3) increase high school graduation rates toward college/career readiness.

### **SY 425 Overriding Budget Assumptions:**

1. The budget assumes that AZ CSP will obligate [REDACTED] per school [REDACTED] per year over five award years) to 8 schools per award year. The entire project will take nine years including four No-Coast Extension years to conclude the grant.
2. The request assumes a total of [REDACTED] to support ADE administration and technical assistance over the five award years and four No-Cost Extension years of the grant by its Charter Schools Program unit (AZ CSP). The request assumes a total of \$3,500,000 to support technical assistance salaries and programs developed and administered by the AZ CSP unit.
3. The request assumes a maximum total of \$1,500,000 to support administration of the grant by the AZ CSP unit.

**SF 425 Budget Line Assumptions Important Note:** This Budget Narrative provides projected expenses (assumptions) over the life of the entire life of the grant: 5 Award Years and 4 No cost Extension years. These projected expenses are factored into the 5 Award years of the Federal Application **Form SF 425**. Budget Narrative totals are equal to **Form SF 425** totals.

Personnel Descriptions: Assumes 5.66 FTEs to provide on-going education, operation, and financial technical assistance to schools over the life of the grant; organize the grant application; provide information workshops across the state; train, compensate and supervise application evaluators; manage subrecipients for compliance and risk; monitor subrecipients, both onsite and desk, for accountability; and, provide ongoing, embedded technical assistance.

Staff includes the following Project FTEs:

1. 1 FTE Project Director – responsible for overall project goals and final outcomes, supervise project personnel, lead technical assistance to – and monitoring of – sub recipient governance/leadership, academic performance, school finance/operations, and monitor state authorizers.
2. 4 FTE Education Specialists – 3 Specialists will provide academic technical assistance to – and monitor – sub recipient schools for accountability. 1 Specialist will provide operations and financial technical assistance to – and monitor – sub recipient schools for accountability.
3. .66 Administrative Assistant (shared) will supervise internal and external communication, scheduling, minutes for all inter- and extra- office meetings and monitoring visits, and manage all records.

#### **SF 425 Budget Line Salary Descriptions**

1. Personnel – assumes \$ 3,062,000 over five Project Years and four additional No-Cost Extension years to perform functions described above for a total of nine years.
  - a. Director and Specialist 1 positions assumes that AZ CSP is currently managing two remaining cohorts from its 2015 SEA CSP No Cost Extension; they will be supported by 50% from its current 2015 grant in the first year and 25% in the

second year. Newly awarded CSP funds will be totally segregated; i.e., no co-mingling of funds between the 2015 award and the 2018 award. The flow chart on page 6 lists all 9 active years of the grant, 5 Award Years and 4 No Cost Extension years. Specialist 2 will be hired in the first year; Specialists 3 and 4 will be hired in the second and third year, respectively of the program to provide technical assistance to meet growing cohort size.

b. The shared Administrative Assistant starts Year 1.

Personnel	Award Year 1	Award Year 2	Award Year 3	Award Year 4	Award Year 5	No Cost Ext 1	No Cost Ext 2	No Cost Ext 3	No Cost Ext 4
Director									
Specialist 1									
Specialist 2									
Specialist 3									
Specialist 4									
Assistant									
1. Personnel									

2. Benefit Expenses – assumes \$ 918,600 over five Project Years and four additional No-Cost Extension years to perform functions described above for a total of nine years.

2. Benefits									
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3. Travel Expenses – assumes \$165,000 for on-site, ongoing embedded technical assistance by four program specialists, on-site sub grantee monitoring by Director and the four program specialists, in-state application publicity/information and training, and conference training. Two staff attend the Annual CSP Directors meeting for five award years and four No-Cost Extension years for a total of 9 years.

3. Travel									
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4. Equipment – assumes \$12,100 for three new computers and support equipment per three new FTEs and replacement for other staff over the nine-year life of the grant per ADE equipment replacement schedule. (1 computer each replaced over five years.)

4. Equipment	1,000	1,250	1,250	1,500	1,200	900	2,500	1,000	1,500	12,100
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5. Supplies – assumes \$4,500 for publicity, printing, office, mailing, monitoring and technical assistance and dissemination support.

5. Supplies	500	500	500	500	500	500	500	500	500	4,500
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6. Contractual – assumes \$665,000 for three competitive application evaluators over the first five years – 17 average applications submitted annually at \$250 per application; also, assumes annual training conferences for subrecipient schools conducted by AZ CSP; also, assumes AZ CSP staff professional development expenses in Instructional Rounds and Formative Assessment; also assumes dissemination support.

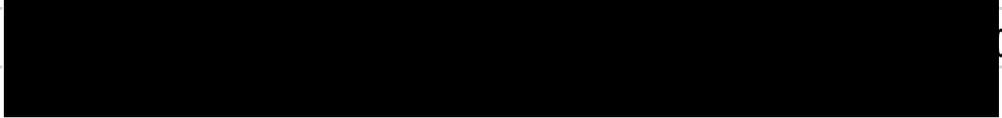
6. Contractual	85,000	85,000	85,000	85,000	85,000	60,000	60,000	60,000	60,000	665,000
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7. Construction – assumes no construction costs allowed by this grant.
8. Other – assumes \$50,000,000 grants to 40 total subrecipient schools over five years and four No-Cost Extension years at \$ 1,250,000 per award. (See graph on page 6)

8. Other (Subgrants)	2,000,000	4,000,000	6,000,000	8,000,000	10,000,000	8,000,000	6,000,000	4,000,000	2,000,000	50,000,000
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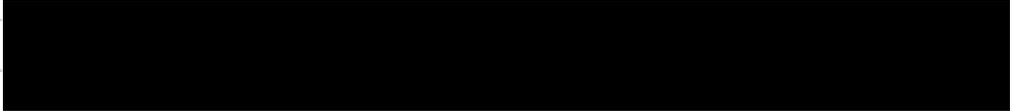
9. Total Direct Cost (Lines 1 – 8) – assumes all direct expenses over five award years including four No Cost Extensions years.

9. Total Direct Costs (lines 1 - 8)



10. Indirect Costs – assumes total direct costs excluding equipment, capital expenditures, participant support costs, pass-through funds and the portion of each sub award (current Indirect Cost Rate is 10% per July 1, 2018 – June 30, 2019; Agreement Number 2017-127).

10. Indirect Costs



11. Training Stipends – assumes no training stipends.

12. Total Costs (Lines 9 – 11) assumes \$55,000,000 total expenditures for five award years and four No-Cost Extensions for a total of nine years.

12. Total Costs (Lines 9-11)

