

Rule Change Language:

A.A.C. R7-5-501

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, the financial intervention submissions as described in R7-5-509 and R7-5-511;
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. A charter holder must report the following to the Board within 10 days of receipt or occurrence:

1. Any notice from a lender or landlord regarding default;
2. Filing a petition for bankruptcy;
3. Any notice from the Internal Revenue Service, Arizona State Retirement System, Arizona Department of Revenue, or Arizona Department of Economic Security regarding a tax lien, levy or garnishment;
4. Correspondence from an insurance provider related to cancellation of health or liability insurance due to nonpayment; or
5. Notice of termination of line of credit ~~whether initiated by financial institution or charter holder when replacement credit line is not in effect; or~~
6. ~~Withdrawals from debt service reserve funds.~~

D. By September 1 of each year, each charter holder must notify the Board, in writing, of whether they have an agreement or contract with an Education Service Provider for the current

school year. If the charter holder has an agreement or contract with an Education Service Provider, then the charter holder must provide:

1. The name of the Education Service Provider; and
2. A written statement describing the services provided to the charter holder's charter school or schools by the Education Service Provider.

E. By September 1 of each year, each charter holder must submit a completed Compliance Statement of Assurance.

EF. Each charter school must conspicuously and permanently post a link on its website to the charter school's academic performance dashboard and the charter holder's financial and operational performance dashboards on the Board's website. For new schools, the link must be conspicuously posted by September 1 of the charter school's first school year of operation.

FG. If the charter holder fails to submit or fails to timely submit the information required in subsection (C), ~~or~~ subsection (D), subsection (E) or fails to post the link required in subsection (EF) on the charter school's website, the failure shall be noted in the charter holder's operational performance dashboard.

~~GH.~~ 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 subsection (C), subsection (D), subsection (E), subsection (F), R7-5-502(G), R7-5-505(D), R7-5-505(E), or R7- 5-506(B)(2). In determining whether to grant an extension, Board staff shall consider the following, as applicable:

1. Whether the charter school at issue was in session when the Board provided notice to the charter holder;
2. 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
3. Whether additional time is required by the charter holder because of the number or complexity of matters to be addressed.