

Notices of Final Rulemaking

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 7. EDUCATION

CHAPTER 5. STATE BOARD FOR CHARTER SCHOOLS

Editor's Note: The following Notice of Final Rulemaking was exempt from Executive Order 2012-03 as issued by Governor Brewer. (See the text of the executive order on page 475.)

[R14-18]

PREAMBLE

- 1. Article, Part, or Section Affected (as applicable)**

R7-5-101	Amend
R7-5-201	Amend
R7-5-202	Renumber
R7-5-202	New Section
R7-5-203	Renumber
R7-5-203	Amend
R7-5-204	Renumber
R7-5-204	Amend
R7-5-205	Renumber
R7-5-205	Amend
R7-5-206	New Section
R7-5-207	New Section
- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**

Authorizing statute: A.R.S. § 15-182(E)(5)

Implementing statute: A.R.S. §§ 15-183(A)-(C), 15-183(E)-(F), 15-183(I), 15-183(CC), and 15-183.01
- 3. The effective date of the rules:**

April 5, 2014
- 4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:**

Notice of Rulemaking Docket Opening: 19 A.A.R. 2857, September 20, 2013

Notice of Proposed Rulemaking: 19 A.A.R. 3505, November 8, 2013
- 5. The agency's contact person who can answer questions about the rulemaking:**

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- 6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**

The Arizona State Board for Charter Schools (Board) is amending its rules to implement changes made in 2012 and 2013 to the Arizona Revised Statutes relating to charter schools (A.R.S. Title 15, Chapter 1, Article 8) including the

Notices of Final Rulemaking

application processing fee, electronic availability of the application and application process, and application components. The Board is also updating the rules to complete actions proposed in the Five-Year Review report, approved on November 3, 2009, concerning the application components and documentation required from applicants who are granted a charter. Finally, the Board is engaging in rulemaking to formalize policies which enable the Board to effectively carry out its legislative mission "to provide a learning environment that will improve pupil achievement." A.R.S. § 15-181(A). The rulemaking will implement recent statutory changes and Board policies, make citation references consistent with current statute and improve the clarity and conciseness of the rules.

A new section added by this rulemaking establishes the procedures for paying the new application processing fee authorized by A.R.S. § 15-183(CC) (R7-5-202). Two other new sections add request procedures relating to an extension of the time period provided to recent charter grantees to execute their charters (R7-5-206) and begin operation of a charter school (R7-5-207). Revisions to section R7-5-201 improve the clarity, update, and align with statute the rules concerning the form and availability of the new charter application. Revisions to section R7-5-203 improve the clarity and update the rules concerning the application process and application time-frames, and establish a procedure for the recently implemented in-person interview conducted as part of new charter applications. Revisions to section R7-5-205 improve the clarity and update the rules concerning the execution of new charters.

**7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None

**8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. A summary of the economic, small business, and consumer impact:**

The Board believes that the probable benefits of the rule package outweigh the probable costs. In developing the processes in the rule package, the Board sought to minimize the burden on charter applicants by creating straightforward processes with clearly communicated expectations while ensuring that the application process was rigorous enough to ensure only quality applicants receive charters to operate charter schools at the public's expense.

This rule package will provide the Board a substantial economic benefit as the funds collected as a result of the new charter application processing fee will help fund the application process and will alleviate the pressure on the Board's limited State appropriation. The revisions and additions in this rule package also provide informational benefits to the Board and help ensure that the new application process provides high quality information to evaluate applicants' qualifications to operate a charter school. A breakdown of the costs imposed by implementing this rule package is included in the cost/benefit analysis of the economic, small business, and consumer impact report.

The economic impact of this rule package on charter applicants is moderate. The most significant impact imposed by these rules is the application processing fee which the Board was statutorily granted the authority to charge. The Board has set this fee at \$6,500 based on the actual costs associated with the substantive review of new applications. All applicants are statutorily required to apply to the Board (or another authorized sponsor) for sponsorship. The Board's application process does not create any particularly burdensome or costly informational requirements for an entity planning to open a school as all the information required is directly related to information necessary to operate a high quality school. The rules impose costs related to electronic preparation and submission of an application, however these costs are balanced by savings in copying, mailing, and delivery costs of paper submissions. The requirement to appear for an in-person interview also imposes a minimal to moderate cost for applicants, who must travel to the Board office and spend time preparing for the interview. However, as noted in the analysis, these interviews provide highly valuable information to the Board. Other provisions of the rule package impose a small cost while providing a greater benefit to the charter applicants. These provisions provide processes to seek reconsideration, or an extension or suspension that could save the applicant moderate expenses that would be incurred as a result of losing and having to reapply for a charter.

**10. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:**

The Board has not made any substantial changes to the Notice of Proposed Rulemaking. The Board made the following, non-substantial changes:

To R7-5-206(2), the Board included one additional item, compliance with applicable laws and the charter, to the list of information the Board will consider when deciding whether to allow an Extension to Execute a Charter. This item was inadvertently left out of the Notice of Proposed Rulemaking, but the public is aware of this consideration item as it aligns with the Board's policy which was adopted at a public meeting and is currently posted on the Board's website. The Board also deleted the requirement, in R7-5-206(5), that a charter holder granted an extension notify the Board four months prior to beginning providing instruction; this requirement served no purpose to charter holders or to the Board.

To R7-5-207(3), the Board included one additional item, compliance with applicable laws and the charter, to the list of information the Board will consider when deciding whether to allow a Suspension of a Charter. This item was

Notices of Final Rulemaking

inadvertently left out of the Notice of Proposed Rulemaking, but the public is aware of this consideration item as it aligns with the Board's policy which was adopted at a public meeting and is currently posted on the Board's website. The Board also deleted the requirement, in R7-5-207(8), that a charter holder granted an extension notify the Board 90 days prior to beginning providing instruction; this requirement served no purpose to charter holders or to the Board.

The Board deleted unnecessary statutory references to procedures in Title 41 from R7-5-202(6), R7-5-203(A), R7-5-203(C), R7-5-203(D), and R7-5-203(E)(1)(b). The Board retained the described procedures, and deleted only the references to statute.

Any other changes are typographical corrections.

**11. A summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:**

The Charter School Association provided written comments during an informal comment period before the Notice of Proposed Rulemaking was published. Two comments were considered and incorporated into the Notice of Proposed Rulemaking; these rules concerned the format of the checks for paying the fee and the pluralization of a word. One comment was considered but has not been incorporated. The Association has suggested posting the application earlier than the deadline set in the rules. In developing the application processes reflected in the rules, the Board sought to optimize the time for the Board to revise the application annually, the time given for applicants to create high quality applications, the time for the Board to evaluate the applications, and the time for those granted new charters to prepare and begin operating new schools so that all the processes would be completed with the highest quality of work. The Board believes the rules as written provide optimal time for all involved.

No other public comments were made about the rulemaking.

**12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

None

**a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**

The rules do not require issuance of a regulatory permit. Rather, the rules prescribe an application process intended to identify candidates who are sufficiently qualified to operate a charter school and provide public education services under a contract with the Board. The statute specifically states that an applicant may submit an application and the sponsor may contract with applicants who are sufficiently qualified. It is the Board's belief that the term "charter" is a misnomer that does not accurately reflect legislative intent or the true nature of the function of the Board, which is to contract with public bodies, private persons, or private organizations not to grant privileges, rights, liberties, or powers. Further, the Board believes the inclusion of certain provisions in the charter school statute indicate that the legislature understood that the Board would not be issuing permits or licenses.

However, if the Council believes the Board's rules do require issuance of a regulatory permit, it is the Board's position that the Board is either issuing a general permit, or in the alternative issues an individual or traditional permit according to an exception under A.R.S. §§ 41-1037(A)(2) or (3).

**b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:**

There is no corresponding federal law that is applicable. The rules are being promulgated under state law.

**c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:**

None

**13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:**

None

**14. Whether the rule was previously made, amended, or repealed as an emergency rule:**

Not applicable

**15. The full text of the rules follows:**

Notices of Final Rulemaking

TITLE 7. EDUCATION

CHAPTER 5. STATE BOARD FOR CHARTER SCHOOLS

ARTICLE 1. GENERAL PROVISIONS

Section

R7-5-101. Definitions

ARTICLE 2. NEW CHARTERS

Section

R7-5-201. Application for a New Charter

R7-5-202. New Charter Application Processing Fee

~~R7-5-202.~~ R7-5-203. Time-frames for Granting or Denying a New Charter

~~R7-5-203.~~ R7-5-204. Review of Administratively Complete Application Package, and Technical Assistance, and In-Person Interview

~~R7-5-204.~~ R7-5-205. Execution of a Charter

R7-5-206. Good Cause Extension to Execute a Charter

R7-5-207. Good Cause Suspension of a Charter

ARTICLE 1. GENERAL PROVISIONS

**R7-5-101. Definitions**

For the purpose of this Chapter, the following definitions apply:

“Accounting industry regulatory body” No change

“Administrative completeness review time-frame” means the number of days from the Board's receipt of ~~an application package to obtain a charter~~ a submission for Board consideration until the Board staff determines whether the ~~application package~~ submission contains all components and is formatted as required by statute and rule. The administrative completeness review time-frame does not include the period during which the Board performs a substantive review of the application submission.

“Annual application cycle” means a new charter application process which is conducted each year to grant charters for the operation of new charter schools and is based on the earliest fiscal year in which a new charter school may begin operation.

“Applicant” means a person that applies to the Board for a new charter ~~or, a person who applies~~ to transfer a charter from another charter school sponsor under A.R.S. § 15-181 et seq., a charter holder who applies to renew or replicate a charter sponsored by the Board, or a charter holder who applies to transfer an existing charter school site operated under a charter sponsored by the Board to a separate Board-sponsored charter held by the same charter holder.

“Application” means the Board-approved forms and instructions ~~for a stated fiscal year, which are available on-line and in writing~~ used by an applicant to apply for a new charter, transfer a charter, or renew or replicate a charter sponsored by the Board.

“Application package” means an application, ~~narrative~~ narratives, and documents ~~described in the application~~ including exhibits and attachments as submitted by an applicant.

“ASBCS Online” means the Board's web-based interface accessible through the Arizona State Board for Charter Schools' website.

“Audit” No change

“Audit contract” No change

“Audit firm” No change

“Audit guidelines” means the Board-approved general guidance on charter school audit requirements, which is available online ~~and in writing~~.

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

“Board” No change

“Charter” No change

“Charter holder” No change

“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 for the Board for the purposes of communication and accountability to contract terms and conditions.

“Charter school” means a public school operated under a charter granted under A.R.S. § 15-181 et seq.

Notices of Final Rulemaking

“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” No change

“Department” No change

“Fiscal year” No change

“Good standing” No change

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

“Peer review” No change

“Person” No change

“Preliminary application package” means a an administratively complete application package that is forwarded to the Technical Review Panel for scoring.

“Principals” No change

“Revised application package” means a complete an application package including revisions submitted by an applicant after receiving written notification that the applicant’s preliminary application package failed to meet the scoring criteria requirements of R7-5-203 R7-5-204.

“Serious impact finding” means an issue identified by the Board that in the opinion of the Board has or potentially has a significant 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 the children, gross violation of generally accepted accounting principles that increases the opportunity for fraud or theft, or repeat issues of non-compliance.

“Submission deadline” means a date and time established each year by the Board and identified in the application for a new charter by which a new charter application package shall be submitted to the Board to be considered in a specified annual application cycle.

“Substantive review time-frame” means the number of days after an application package a submission for Board consideration is determined to be administratively complete until the Board decides whether to grant or deny a charter the request contained within the submission.

“Sufficiently qualified” means the Board’s determination that an applicant’s or charter holder’s application package, knowledge and understanding of the application package, 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 the performance frameworks adopted by the Board and requirements of statute and rule.

“Supervising certified public accountant” No change

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

ARTICLE 2. NEW CHARTERS

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

- A. By March 31 of each year, the Board shall approve and make available ~~in writing at its office and~~ online at its web site an application for a new charter for a specified ~~fiscal year~~ annual application cycle.
- B. A person desiring to establish a charter school shall submit an ~~unbound original~~ application package ~~and five bound copies of the application package to the Board online through the web-based application wizard on ASBCS Online by the submission deadline identified in the application. A person may utilize an alternate submission process:~~
  - 1. A person utilizing the alternate submission process shall submit by hand delivery or mail a signed, notarized waiver request to the Board in the form and by the waiver deadline set out in the application.
  - 2. The Board shall send an acknowledgment of timely receipt of a waiver request within 10 days of receipt of a waiver request.
  - 3. Any person who submits a timely waiver request waives the right to have the Board consider any application package submitted through ASBCS Online in the same annual application cycle. Instead, such a person shall only submit an application package according to the alternate submission process instructions and by the alternate submission process submission deadline identified in the application.
  - 4. An application package shall not be accepted through the alternative submission process unless a waiver request has been received by the waiver deadline and acknowledged as timely by the Board.
- C. An applicant for a new charter shall ensure that the submitted application package contains ~~the following in the order listed:~~ all the information, materials, documents, and attachments identified in the application for a new charter for the current annual application cycle and in the format specified in that application, which shall together constitute:
  - 1. ~~Cover Sheet form;~~

Notices of Final Rulemaking

2. Title Page form;
3. Target Population form;
4. Curricular Emphasis. A narrative describing the proposed charter school's program of instruction including its philosophy, special emphasis, and methods of instruction and assessment in relation to achieving the school's mission;
5. Goals form;
6. Curriculum Sample. A reading, writing, and math sample for each grade level to be served. Each sample will include a student assessment, description of instruction, description of student activities, and an indication of alignment with the Arizona Academic Standards;
7. Monitoring of Program of Instruction. A narrative and examples regarding dissemination of information to teachers, tracking of students' progress toward mastery of state standards, and integration of Arizona Academic Standards into instructional practices;
8. Special education delivery models to be used;
9. Business Plan. A detailed business plan including:
  - a. Business description;
  - b. Marketing plan;
  - c. Management plan;
  - d. Resumes of the principals and authorized representative;
  - e. Background information form;
  - f. Valid fingerprint clearance cards for the principals and authorized representative;
  - g. Affidavit form;
  - h. Copy of Arizona filing required to conduct business in Arizona by the Arizona Corporation Commission or Arizona Secretary of State;
  - i. Financial plan;
  - j. Start-up budget with assumptions form;
  - k. Three-year operating budget form, and
  - l. First year month-by-month cashflow form;
10. Compliance Assurances form;
11. Certificate of Workshop Attendance or Workshop Waiver form;
12. Bibliography; and
13. Application Checklist form.
  1. A detailed educational plan.
  2. A detailed business plan.
  3. A detailed operational plan, and
  4. Any other materials the Board requires.

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

Each applicant shall pay a new charter application processing fee, in accordance with A.R.S. § 15-183(CC).

1. The new charter application processing fee is \$6,500 for each application package an applicant submits to the Board.
2. Each applicant shall pay the new charter application processing fee in the form of a single personal check or cashier's check with the applicant's name clearly identified on the front of the check made payable to Arizona State Board for Charter Schools. The check shall be delivered by mail or hand delivery to the Board office during regular business hours by the submission deadline.
3. Failure to timely submit the new charter application processing fee shall result in the application package being deemed administratively incomplete under R7-5-203(B).
4. All checks shall be deposited within five days of submission. If an applicant's new charter application processing fee payment to the Board is dishonored for any reason including an insufficient funds check:
  - a. The application package shall be deemed administratively incomplete under R7-5-203(B), and
  - b. The applicant shall use a cashier's check to pay the new charter application processing fee for any application package submitted to the Board by the applicant at any later date.
5. 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 fee shall be refunded to the applicant. The fee refund shall be mailed by U.S. Postal Service regular mail to the authorized representative at the address provided in the application package.
6. If an application package is found to be administratively complete under R7-5-203(B), the new charter application processing fee shall become non-refundable.

**~~R7-5-202~~, R7-5-203. Time-frames for Granting or Denying a New Charter**

- A. For granting or denying a charter, the time-frames required by A.R.S. § 41-1072 et seq. are:
1. No change
  2. No change
  3. No change

Notices of Final Rulemaking

- B. An ~~administratively complete~~ application package for a charter school ~~shall be administratively complete if: consists of~~
1. ~~The application package contains all the information, materials, and documents listed in R7-5-201, attachments, signatures, and notarizations identified in the application for a new charter for the current annual application cycle;~~
  2. ~~All the application package's components are formatted as required by that application;~~
  3. ~~All curriculum samples address the required standard;~~
  4. ~~All templates are unmodified, completely filled out, and from the current annual application cycle; and~~
  5. ~~The application processing fee has been paid according to R7-5-202(1), (2), and (4).~~
- C. The administrative completeness review time-frame, as ~~described in A.R.S. § 41-1072(1) and~~ listed in subsection (A)(1), begins ~~on the date day after~~ the Board receives an application package.
1. If the application package is ~~not administratively complete~~ ~~incomplete~~ when received, the Board ~~staff~~ shall provide to the applicant a notice of deficiency that states the ~~documents and information that are missing~~ reasons the application package was found to be administratively incomplete.
  2. Upon written notice to the applicant that the application package is ~~administratively~~ incomplete, the Board ~~staff~~ shall close the applicant's file.
    - a. ~~If the submission deadline has not yet passed, an applicant may correct deficiencies in an administratively incomplete application package and submit a new application package in the same annual application cycle, under R7-5-201; the applicant shall pay a new application processing fee, under R7-5-202.~~
    - b. ~~An applicant who believes their application was erroneously designated as administratively incomplete may submit a written request for reconsideration to the Board within 10 days of the date of notice.~~
      - i. ~~The request for reconsideration shall contain a clear statement indicating how the previously submitted application package fulfilled each of the requirements that were identified as having been deficient. The request for reconsideration shall not provide any new or additional information, documents, or materials.~~
      - ii. ~~A request for reconsideration that does not address each deficiency identified in the notice or that contains new or additional information, documents, or materials shall not be considered and the applicant shall be notified that the request was not submitted according to subsection (i) and the applicant's file is closed.~~
      - iii. ~~The Board staff shall review a request for reconsideration that is submitted according to subsection (i) and provide a decision on the request for reconsideration within 10 days of receipt.~~
      - iv. ~~If the Board staff determines the application package was erroneously designated as administratively incomplete, the Board staff shall reopen the applicant's file and send a written notice of administrative completeness to the applicant. If the Board staff determines the application package was correctly designated as administratively incomplete, the applicant's file shall remain closed.~~
  3. No change
  4. No change
- D. A substantive review time-frame, as ~~described in A.R.S. § 41-1072(3) and~~ listed in subsection (A)(2), begins when an application package is determined to be administratively complete. ~~The substantive review is conducted according to R7-5-204.~~
- E. No change
1. No change
    - a. Submit a new application package under R7-5-201 for consideration by the Board in any later annual application cycle; or
    - b. Appeal the Board's decision as ~~prescribed in A.R.S. Title 41, Chapter 6, Article 10.~~
  2. No change

~~R7-5-203-R7-5-204. Review of Administratively Complete Application Package, and Technical Assistance, and In-Per-son Interview~~

The review of ~~a~~ an administratively complete application package is as follows:

1. The Technical Review panel shall score the preliminary application package using the ~~scoring evaluation criteria provided~~ ~~identified in the application to determine whether an application package meets the Board's scoring requirements.~~
  - a. ~~An application package shall be assigned a score of "Meets the Criteria," "Approaches the Criteria," or "Falls Below the Criteria" for each evaluation criterion.~~
    - i. ~~An evaluation criterion shall be scored "Meets the Criteria" when the section within which that evaluation criterion is identified by the application:~~
      - (1) ~~Addresses the evaluation criterion fully with specific and accurate information;~~
      - (2) ~~Reflects a thorough understanding of the evaluation criterion; and~~
      - (3) ~~Is clear and coherent.~~
    - ii. ~~An evaluation criterion shall be assigned a score of "Approaches the Criteria" when the section within which that evaluation criterion is identified by the application:~~
      - (1) ~~Addresses the evaluation criterion partially and lacks specific and accurate information for some aspect of the evaluation criterion;~~



**Notices of Final Rulemaking**

- ii. A copy of the scoring rubric completed by the Technical Review Panel.
  - b. 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:
    - a.i. Review a copy of the The application package scored by the Technical Review Panel;
    - bii. Review a A copy of the scoring rubric completed by the Technical Review Panel;
    - e.iii. The results of the in-person interview of the applicant's principals;
    - iv. Review all information Information obtained through verification and investigation of an applicant's back-ground the backgrounds including employment, experience, education, fingerprint clearance card, and assessment of creditworthiness for each of the principals of the applicant;
  - d. Hear a brief presentation by the applicant; and
  - e.v. Listen to the applicant's responses to Board questions. 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.
- H-12. The Board 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.

**~~R7-5-204~~R7-5-205. Execution of a Charter**

- A. After the Board grants Board's decision to grant a new charter, and before the contract charter is signed, the charter holder applicant shall submit to the Board the following:
  - 1. No change
  - 2. School Charter school site location information; including:
    - a. Certificate of occupancy for each charter school site approved for educational use, and
    - b. Fire marshal report for each charter school site approved for educational use, or
    - c. If the certificate of occupancy and fire marshal report are not available, a completed Occupancy Compliance Assurance form;
  - 3. General Statement of Assurances form obtained from the Board Department;
  - 4. Copy of the A statement filed with indicating where all public notices of meetings will be posted as required by the Secretary of State under A.R.S. § 38-431.02; and
  - 5. Copy of the lease agreement, if any, or other documentation of a secured charter school facility for each charter school site.
- B. A new charter shall be signed by the Board President or designee and the charter holder or authorized representative of the applicant within 12 months after the Board grants Board's decision to grant the charter.
  - ~~C.~~ 1. A If a charter that 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 the holder of an expired charter an applicant who 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 holder applicant shall apply again under R7-5-201 in any later annual application cycle.
- ~~D.C.~~ A charter holder shall begin providing educational instruction within 12 months after signing the charter or within 24 months no later than the second fiscal year after the Board grants Board's decision to grant the charter, whichever occurs later 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 who 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 by subsections (C) and (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. A charter holder shall submit to the Board written proof that the charter school is in compliance with federal, state, and local rules, regulations, and statutes relating to health, safety, civil rights and insurance at least 10 days before the first day of operation of the charter school it will begin providing educational instruction by submitting:
  - 1. School Charter school site contact information;
  - 2. Certificate of occupancy for each school site;
  - 3. Fire marshal report for each school site;
  - 4-2. Insurance policy binder issued by an insurance company licensed to do business in Arizona;
  - 5-3. County health certificate for each site at which students will be taught;
  - 6-4. Evidence of a public meeting, required by A.R.S. § 15-183(C)(5) 15-183(C)(7), at least 30 days before the charter holder opens a site for the charter school; and
  - 7-5. Certificate of attendance of the authorized charter representative or principal at the special education training for new charters offered by the Arizona Department of Education, Department's Exceptional Student Services Division; and
  - 6. Any other documents required to demonstrate compliance with federal, state, and local rules, regulations, and statutes

Notices of Final Rulemaking

relating to health, safety, civil rights and insurance.

- E. If a charter holder has completed an Occupancy Compliance Assurance form, state aid funding shall not initiate until the Board has determined that the required certificate of occupancy and fire marshal report submissions are complete and sufficient.
- F. A new charter is effective upon the signing of both parties for a term of 15 years ~~from commencing on the first day of operation of the charter school~~ date stated in the charter, unless revoked under A.R.S. § 15-183(I).

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

Before the Board's decision to grant a new charter expires, an applicant who has not yet executed the charter may submit to the Board a written request for a good cause extension to execute a charter.

1. The written request for a good cause extension to execute a charter shall:
  - a. Explain and provide 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;
  - b. Explain the applicant's new timeline for implementing the plans contained in the application package, and why the timeline is viable and adequate for achieving the proposed start-up date of the school and appropriate for operating a charter school in accordance with the performance frameworks adopted by the Board and requirements of statute and rule.
  - c. Provide 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 timeline provided and the requirements of R7-5-205(C)(1).
2. The Board may grant a good cause extension to execute a charter if an applicant demonstrates good cause. When considering a request for a good cause extension to execute a charter, the Board shall consider:
  - a. The timeliness of the submission of the request and the proposed extension date;
  - b. The viability of the applicant's new timeline for implementing the plans contained in the application package;
  - c. Whether the new timeline provided by the applicant 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;
  - d. Unforeseen circumstances affecting the applicant's ability to execute the charter within the allotted 12 months;
  - e. Whether there have been changes in the principals of the applicant; and
  - f. The status of compliance with all applicable federal, State and local laws, and with all of the terms of a charter.
3. The Board shall not grant more than one good cause extension to execute a charter to any applicant for the same charter.
4. 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 shall expire.

**R7-5-207. Good Cause Suspension of a Charter**

Prior to the first day of the fiscal year that a charter holder must begin providing educational instruction, the charter holder of a not-yet-operational charter may submit to the Board a written request for a good cause suspension of a charter.

1. A charter holder is eligible to apply for a good cause suspension of a charter if:
  - a. The charter holder has not been granted a good cause extension to execute a charter,
  - b. The charter holder has not begun providing educational instruction under the charter, and
  - c. 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.
2. The written request for a good cause suspension of a charter shall:
  - a. Explain and provide 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);
  - b. Explain the charter holder's new timeline for implementing the plans contained in the application package, and why the new timeline is viable and adequate for achieving the proposed start-up date of the school and appropriate for operating a charter school in accordance with the performance frameworks adopted by the Board and requirements of statute and rule.
  - c. Provide 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 timeline provided and the requirements of R7-5-205(C)(1).
3. The Board may grant a good cause suspension of a charter if the charter holder demonstrates good cause. When considering a request for a good cause suspension of a charter, the Board shall consider:
  - a. The timeliness of the submission of the request and the proposed extension date;
  - b. The viability of the charter holder's new timeline for implementing the plans contained in the application package;
  - c. Whether the new timeline provided by the charter holder is adequate to begin providing educational instruction

**Notices of Final Rulemaking**

- as required under R7-5-205(C)(1) and complies with the plans contained in the application package:
- d. Unforeseen circumstances affecting the charter holder's ability to begin providing educational instruction as required under R7-5-205(C);
  - e. Whether there have been changes in the principals of the charter holder; and
  - f. The status of compliance with all applicable federal, State and local laws, and with all of the terms of the charter.
4. The Board shall not grant more than one good cause suspension of a charter to any charter holder for the same charter and shall not grant a good cause suspension of a charter to any charter holder who previously received a good cause extension to execute a charter for the same charter.
  5. A charter holder who is granted a good cause suspension may execute and submit an amendment to the charter indicating a new effective date which shall conform to the date on which the charter holder shall begin providing educational instruction.
  6. A charter holder who is granted a good cause suspension of a 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 and shall promptly return any such funding it receives prior to the fiscal year in which it begins providing educational instruction.
  7. 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).