

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
Second Regular Session  
2010

# HOUSE BILL 2731

## AN ACT

AMENDING SECTION 15-183, ARIZONA REVISED STATUTES; AMENDING SECTION 15-185, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 17, SECTION 2; AMENDING SECTION 15-241, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 3, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-342.01; AMENDING SECTION 15-701.01, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 7, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6; REPEALING LAWS 2009, THIRD SPECIAL SESSION, CHAPTER 12, SECTION 70; RELATING TO THE BOARD EXAMINATION SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-183, Arizona Revised Statutes, is amended to  
3 read:

4 15-183. Charter schools; application; requirements; immunity;  
5 exemptions; renewal of application; reprisal

6 A. An applicant seeking to establish a charter school shall submit a  
7 written application to a proposed sponsor as prescribed in subsection C of  
8 this section. The application shall include a detailed business plan for the  
9 charter school and may include a mission statement for the charter school, a  
10 description of the charter school's organizational structure and the  
11 governing body, a financial plan for the first three years of operation of  
12 the charter school, a description of the charter school's hiring policy, the  
13 name of the charter school's applicant or applicants and requested sponsor, a  
14 description of the charter school's facility and the location of the school,  
15 a description of the grades being served and an outline of criteria designed  
16 to measure the effectiveness of the school.

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

20 C. The sponsor of a charter school may be either a school district  
21 governing board, the state board of education or the state board for charter  
22 schools, subject to the following requirements:

23 1. For charter schools that submit an application for sponsorship to a  
24 school district governing board:

25 (a) An applicant for a charter school may submit its application to a  
26 school district governing board, which shall either accept or reject  
27 sponsorship of the charter school within ninety days. An applicant may  
28 submit a revised application for reconsideration by the governing board. If  
29 the governing board rejects the application, the governing board shall notify  
30 the applicant in writing of the reasons for the rejection. The applicant may  
31 request, and the governing board may provide, technical assistance to improve  
32 the application.

33 (b) In the first year that a school district is determined to be out  
34 of compliance with the uniform system of financial records, within fifteen  
35 days of the determination of noncompliance, the school district shall notify  
36 by certified mail each charter school sponsored by the school district that  
37 the school district is out of compliance with the uniform system of financial  
38 records. The notification shall include a statement that if the school  
39 district is determined to be out of compliance for a second consecutive year,  
40 the charter school will be required to transfer sponsorship to another entity  
41 pursuant to subdivision (c) of this paragraph.

42 (c) In the second consecutive year that a school district is  
43 determined to be out of compliance with the uniform system of financial  
44 records, within fifteen days of the determination of noncompliance, the  
45 school district shall notify by certified mail each charter school sponsored

1 by the school district that the school district is out of compliance with the  
2 uniform system of financial records. A charter school that receives a  
3 notification of school district noncompliance pursuant to this subdivision  
4 shall file a written sponsorship transfer application within forty-five days  
5 with the state board of education, the state board for charter schools or the  
6 school district governing board if the charter school is located within the  
7 geographic boundaries of that school district. A charter school that  
8 receives a notification of school district noncompliance may request an  
9 extension of time to file a sponsorship transfer application, and the state  
10 board of education, the state board for charter schools or a school district  
11 governing board may grant an extension of not more than an additional thirty  
12 days if good cause exists for the extension. The state board of education  
13 and the state board for charter schools shall approve a sponsorship transfer  
14 application pursuant to this paragraph.

15 (d) A school district governing board shall not grant a charter to a  
16 charter school that is located outside the geographic boundaries of that  
17 school district.

18 (e) A school district that has been determined to be out of compliance  
19 with the uniform system of financial records during either of the previous  
20 two fiscal years shall not sponsor a new or transferring charter school.

21 2. The applicant may submit the application to the state board of  
22 education or the state board for charter schools. The state board of  
23 education or the state board for charter schools may approve the application  
24 if the application meets the requirements of this article and may approve the  
25 charter if the proposed sponsor determines, within its sole discretion, that  
26 the applicant is sufficiently qualified to operate a charter school. The  
27 state board of education or the state board for charter schools may approve  
28 any charter schools transferring charters. The state board of education and  
29 the state board for charter schools shall approve any charter schools  
30 transferring charters from a school district that is determined to be out of  
31 compliance with the uniform system of financial records pursuant to this  
32 section, but may require the charter school to sign a new charter that is  
33 equivalent to the charter awarded by the former sponsor. If the state board  
34 of education or the state board for charter schools rejects the preliminary  
35 application, the state board of education or the state board for charter  
36 schools shall notify the applicant in writing of the reasons for the  
37 rejection and of suggestions for improving the application. An applicant may  
38 submit a revised application for reconsideration by the state board of  
39 education or the state board for charter schools. The applicant may request,  
40 and the state board of education or the state board for charter schools may  
41 provide, technical assistance to improve the application.

42 3. Each applicant seeking to establish a charter school shall submit a  
43 full set of fingerprints to the approving agency for the purpose of obtaining  
44 a state and federal criminal records check pursuant to section 41-1750 and  
45 Public Law 92-544. If an applicant will have direct contact with students,

1 the applicant shall possess a valid fingerprint clearance card that is issued  
2 pursuant to title 41, chapter 12, article 3.1. The department of public  
3 safety may exchange this fingerprint data with the federal bureau of  
4 investigation. The criminal records check shall be completed before the  
5 issuance of a charter.

6 4. All persons engaged in instructional work directly as a classroom,  
7 laboratory or other teacher or indirectly as a supervisory teacher, speech  
8 therapist or principal shall have a valid fingerprint clearance card that is  
9 issued pursuant to title 41, chapter 12, article 3.1, unless the person is a  
10 volunteer or guest speaker who is accompanied in the classroom by a person  
11 with a valid fingerprint clearance card. A charter school shall not employ a  
12 teacher whose certificate has been revoked for a violation of section 15-507  
13 or 15-550 or for any offense that placed a pupil in danger. All other  
14 personnel shall be fingerprint checked pursuant to section 15-512. Before  
15 employment, the charter school shall make documented, good faith efforts to  
16 contact previous employers of a person to obtain information and  
17 recommendations that may be relevant to a person's fitness for employment as  
18 prescribed in section 15-512, subsection F. The charter school shall notify  
19 the department of public safety if the charter school or sponsor receives  
20 credible evidence that a person who possesses a valid fingerprint clearance  
21 card is arrested for or is charged with an offense listed in section  
22 41-1758.03, subsection B. Charter schools may hire personnel that have not  
23 yet received a fingerprint clearance card if proof is provided of the  
24 submission of an application to the department of public safety for a  
25 fingerprint clearance card and if the charter school that is seeking to hire  
26 the applicant does all of the following:

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

29 (b) Ensures that the department of public safety completes a statewide  
30 criminal records check on the applicant. A statewide criminal records check  
31 shall be completed by the department of public safety every one hundred  
32 twenty days until the date that the fingerprint check is completed.

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

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

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

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

43 5. A charter school that complies with the fingerprinting requirements  
44 of this section shall be deemed to have complied with section 15-512 and is

1 entitled to the same rights and protections provided to school districts by  
2 section 15-512.

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

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

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

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

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

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

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

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

31 E. The charter of a charter school shall ensure the following:

32 1. Compliance with federal, state and local rules, regulations and  
33 statutes relating to health, safety, civil rights and insurance. The  
34 department of education shall publish a list of relevant rules, regulations  
35 and statutes to notify charter schools of their responsibilities under this  
36 paragraph.

37 2. That it is nonsectarian in its programs, admission policies and  
38 employment practices and all other operations.

39 3. That it provides a comprehensive program of instruction for at  
40 least a kindergarten program or any grade between grades one and twelve,  
41 except that a school may offer this curriculum with an emphasis on a specific  
42 learning philosophy or style or certain subject areas such as mathematics,  
43 science, fine arts, performance arts or foreign language.

44 4. That it designs a method to measure pupil progress toward the pupil  
45 outcomes adopted by the state board of education pursuant to section

1 15-741.01, including participation in the Arizona instrument to measure  
2 standards test and the nationally standardized norm-referenced achievement  
3 test as designated by the state board and the completion and distribution of  
4 an annual report card as prescribed in chapter 7, article 3 of this title.

5 5. That, except as provided in this article and in its charter, it is  
6 exempt from all statutes and rules relating to schools, governing boards and  
7 school districts.

8 6. That, except as provided in this article, it is subject to the same  
9 financial and electronic data submission requirements as a school district,  
10 including the uniform system of financial records as prescribed in chapter 2,  
11 article 4 of this title, procurement rules as prescribed in section 15-213  
12 and audit requirements. The auditor general shall conduct a comprehensive  
13 review and revision of the uniform system of financial records to ensure that  
14 the provisions of the uniform system of financial records that relate to  
15 charter schools are in accordance with commonly accepted accounting  
16 principles used by private business. A school's charter may include  
17 exceptions to the requirements of this paragraph that are necessary as  
18 determined by the district governing board, the state board of education or  
19 the state board for charter schools. The department of education or the  
20 office of the auditor general may conduct financial, program or compliance  
21 audits.

22 7. Compliance with all federal and state laws relating to the  
23 education of children with disabilities in the same manner as a school  
24 district.

25 8. That it provides for a governing body for the charter school that  
26 is responsible for the policy decisions of the charter school.  
27 Notwithstanding section 1-216, if there is a vacancy or vacancies on the  
28 governing body, a majority of the remaining members of the governing body  
29 constitute a quorum for the transaction of business, unless that quorum is  
30 prohibited by the charter school's operating agreement.

31 9. That it provides a minimum of one hundred seventy-five  
32 instructional days before June 30 of each fiscal year unless it is operating  
33 on an alternative calendar approved by its sponsor. The superintendent of  
34 public instruction shall adjust the apportionment schedule accordingly to  
35 accommodate a charter school utilizing an alternative calendar.

36 F. The charter of a charter school shall include a description of the  
37 charter school's personnel policies, personnel qualifications and method of  
38 school governance and the specific role and duties of the sponsor of the  
39 charter school. A charter school shall keep on file the resumes of all  
40 current and former employees who provide instruction to pupils at the charter  
41 school. Resumes shall include an individual's educational and teaching  
42 background and experience in a particular academic content subject area. A  
43 charter school shall inform parents and guardians of the availability of the  
44 resume information and shall make the resume information available for  
45 inspection on request of parents and guardians of pupils enrolled at the

1 charter school. Nothing in this subsection shall be construed to require any  
2 charter school to release personally identifiable information in relation to  
3 any teacher or employee, including the teacher's or employee's address,  
4 salary, social security number or telephone number.

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

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

8 I. An approved plan to establish a charter school is effective for  
9 fifteen years from the first day of the fiscal year the charter school is in  
10 operation, subject to the following:

11 1. At least eighteen months before the expiration of the approved  
12 plan, the sponsor shall notify the charter school that the charter school may  
13 apply for renewal. A charter school that elects to apply for renewal shall  
14 file an application for renewal at least fifteen months before the expiration  
15 of the approved plan. In addition to any other requirements, the application  
16 for renewal shall include a detailed business plan for the charter school, a  
17 review of fiscal audits and academic performance data for the charter school  
18 that are annually collected by the sponsor and a review of the current  
19 contract between the sponsor and the charter school. The sponsor may deny  
20 the request for renewal if, in its judgment, the charter school has failed to  
21 complete the obligations of the contract or has failed to comply with this  
22 article. A sponsor shall give written notice of its intent not to renew the  
23 charter school's request for renewal to the charter school at least twelve  
24 months before the expiration of the approved plan to allow the charter school  
25 an opportunity to apply to another sponsor to transfer the operation of the  
26 charter school. If the operation of the charter school is transferred to  
27 another sponsor, the fifteen year period of the current charter shall be  
28 maintained.

29 2. A charter operator may apply for early renewal. At least nine  
30 months before the charter school's intended renewal consideration, the  
31 operator of the charter school shall submit a letter of intent to the sponsor  
32 to apply for early renewal. The sponsor shall review fiscal audits and  
33 academic performance data for the charter school that are annually collected  
34 by the sponsor, review the current contract between the sponsor and the  
35 charter school and provide the qualifying charter school with a renewal  
36 application. On submission of a complete application, the sponsor shall give  
37 written notice of its consideration of the renewal application.

38 3. A sponsor shall review a charter at five year intervals and may  
39 revoke a charter at any time if the charter school breaches one or more  
40 provisions of its charter. At least ninety days before the effective date of  
41 the proposed revocation the sponsor shall give written notice to the operator  
42 of the charter school of its intent to revoke the charter. Notice of the  
43 sponsor's intent to revoke the charter shall be delivered personally to the  
44 operator of the charter school or sent by certified mail, return receipt  
45 requested, to the address of the charter school. The notice shall

1 incorporate a statement of reasons for the proposed revocation of the  
2 charter. The sponsor shall allow the charter school at least ninety days to  
3 correct the problems associated with the reasons for the proposed revocation  
4 of the charter. The final determination of whether to revoke the charter  
5 shall be made at a public hearing called for such purpose.

6 J. The charter may be renewed for successive periods of twenty years  
7 if the sponsor deems that the school is in compliance with its own charter  
8 and this article.

9 K. A charter school that is sponsored by the state board of education  
10 or the state board for charter schools may not be located on the property of  
11 a school district unless the district governing board grants this authority.

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

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

- 26 (a) Disciplinary or corrective action.
- 27 (b) Detail, transfer or reassignment.
- 28 (c) Suspension, demotion or dismissal.
- 29 (d) An unfavorable performance evaluation.
- 30 (e) A reduction in pay, benefits or awards.
- 31 (f) Elimination of the employee's position without a reduction in  
32 force by reason of lack of monies or work.
- 33 (g) Other significant changes in duties or responsibilities that are  
34 inconsistent with the employee's salary or employment classification.

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

- 37 (a) Suspension or termination of the program.
- 38 (b) Transfer or reassignment of the program to a less favorable  
39 department.
- 40 (c) Relocation of the program to a less favorable site within the  
41 school or school district.
- 42 (d) Significant reduction or termination of funding for the program.

43 M. Charter schools shall secure insurance for liability and property  
44 loss. The governing body of a charter school that is sponsored by the state  
45 board of education or the state board for charter schools may enter into an

1 intergovernmental agreement or otherwise contract to participate in an  
2 insurance program offered by a risk retention pool established pursuant to  
3 section 11-952.01 or 41-621.01 or the charter school may secure its own  
4 insurance coverage. The pool may charge the requesting charter school  
5 reasonable fees for any services it performs in connection with the insurance  
6 program.

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

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

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

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

23 R. The sponsoring entity of a charter school shall have oversight and  
24 administrative responsibility for the charter schools that it sponsors.

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

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

29 U. Charter schools may not locate a school on property that is less  
30 than one-fourth mile from agricultural land regulated pursuant to section  
31 3-365, except that the owner of the agricultural land may agree to comply  
32 with the buffer zone requirements of section 3-365. If the owner agrees in  
33 writing to comply with the buffer zone requirements and records the agreement  
34 in the office of the county recorder as a restrictive covenant running with  
35 the title to the land, the charter school may locate a school within the  
36 affected buffer zone. The agreement may include any stipulations regarding  
37 the charter school, including conditions for future expansion of the school  
38 and changes in the operational status of the school that will result in a  
39 breach of the agreement.

40 V. A transfer of a charter to another sponsor, a transfer of a charter  
41 school site to another sponsor or a transfer of a charter school site to a  
42 different charter shall be completed before the beginning of the fiscal year  
43 that the transfer is scheduled to become effective. An entity that sponsors  
44 charter schools may accept a transferring school after the beginning of the  
45 fiscal year if the transfer is approved by the superintendent of public

1 instruction. The superintendent of public instruction shall have the  
2 discretion to consider each transfer during the fiscal year on a case by case  
3 basis. If a charter school is sponsored by a school district that is  
4 determined to be out of compliance with this title, the uniform system of  
5 financial records or any other state or federal law, the charter school may  
6 transfer to another sponsoring entity at any time during the fiscal year.

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

12 X. Charter schools may enter into an intergovernmental agreement with  
13 a presiding judge of the juvenile court to implement a law related education  
14 program as defined in section 15-154. The presiding judge of the juvenile  
15 court may assign juvenile probation officers to participate in a law related  
16 education program in any charter school in the county. The cost of juvenile  
17 probation officers who participate in the program implemented pursuant to  
18 this ~~paragraph~~ SUBSECTION shall be funded by the charter school.

19 Y. THE SPONSOR OF A CHARTER SCHOOL SHALL MODIFY PREVIOUSLY APPROVED  
20 CURRICULUM REQUIREMENTS FOR A CHARTER SCHOOL THAT WISHES TO PARTICIPATE IN  
21 THE BOARD EXAMINATION SYSTEM PRESCRIBED IN CHAPTER 7, ARTICLE 6 OF THIS  
22 TITLE.

23 Z. IF A CHARTER SCHOOL DECIDES NOT TO PARTICIPATE IN THE BOARD  
24 EXAMINATION SYSTEM PRESCRIBED IN CHAPTER 7, ARTICLE 6 OF THIS TITLE, PUPILS  
25 ENROLLED AT THAT CHARTER SCHOOL MAY EARN A GRAND CANYON DIPLOMA BY OBTAINING  
26 A PASSING SCORE ON THE SAME BOARD EXAMINATIONS.

27 Sec. 2. Section 15-185, Arizona Revised Statutes, as amended by Laws  
28 2010, chapter 17, section 2, is amended to read:

29 15-185. Charter schools; financing; civil penalty;  
30 transportation; definitions

31 A. Financial provisions for a charter school that is sponsored by a  
32 school district governing board are as follows:

33 1. The charter school shall be included in the district's budget and  
34 financial assistance calculations pursuant to paragraph 3 of this subsection  
35 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
36 The charter of the charter school shall include a description of the methods  
37 of funding the charter school by the school district. The school district  
38 shall send a copy of the charter and application, including a description of  
39 how the school district plans to fund the school, to the state board of  
40 education before the start of the first fiscal year of operation of the  
41 charter school. The charter or application shall include an estimate of the  
42 student count for the charter school for its first fiscal year of operation.  
43 This estimate shall be computed pursuant to the requirements of paragraph 3  
44 of this subsection.

1           2. A school district is not financially responsible for any charter  
2 school that is sponsored by the state board of education or the state board  
3 for charter schools.

4           3. A school district that sponsors a charter school may:

5           (a) Increase its student count as provided in subsection B, paragraph  
6 2 of this section during the first year of the charter school's operation to  
7 include those charter school pupils who were not previously enrolled in the  
8 school district. A charter school sponsored by a school district governing  
9 board is eligible for the assistance prescribed in subsection B, paragraph 4  
10 of this section. The soft capital allocation as provided in section 15-962  
11 for the school district sponsoring the charter school shall be increased by  
12 the amount of the additional assistance. The school district shall include  
13 the full amount of the additional assistance in the funding provided to the  
14 charter school.

15           (b) Compute separate weighted student counts pursuant to section  
16 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter  
17 school pupils in order to maintain eligibility for small school district  
18 support level weights authorized in section 15-943, paragraph 1 for its  
19 noncharter school pupils only. The portion of a district's student count  
20 that is attributable to charter school pupils is not eligible for small  
21 school district support level weights.

22           4. If a school district uses the provisions of paragraph 3 of this  
23 subsection, the school district is not eligible to include those pupils in  
24 its student count for the purposes of computing an increase in its revenue  
25 control limit and district support level as provided in section 15-948.

26           5. A school district that sponsors a charter school is not eligible to  
27 include the charter school pupils in its student count for the purpose of  
28 computing an increase in its capital outlay revenue limit as provided in  
29 section 15-961, subsection C, except that if the charter school was  
30 previously a school in the district, the district may include in its student  
31 count any charter school pupils who were enrolled in the school district in  
32 the prior year.

33           6. A school district that sponsors a charter school is not eligible to  
34 include the charter school pupils in its student count for the purpose of  
35 computing the revenue control limit which is used to determine the maximum  
36 budget increase as provided in chapter 4, article 4 of this title unless the  
37 charter school is located within the boundaries of the school district.

38           7. If a school district converts one or more of its district public  
39 schools to a charter school and receives assistance as prescribed in  
40 subsection B, paragraph 4 of this section, and subsequently converts the  
41 charter school back to a district public school, the school district shall  
42 repay the state the total additional assistance received for the charter  
43 school for all years that the charter school was in operation. The repayment  
44 shall be in one lump sum and shall be reduced from the school district's

1 current year equalization assistance. The school district's general budget  
2 limit shall be reduced by the same lump sum amount in the current year.

3 B. Financial provisions for a charter school that is sponsored by the  
4 state board of education or the state board for charter schools are as  
5 follows:

6 1. The charter school shall calculate a base support level as  
7 prescribed in section 15-943, except that sections 15-941 and 15-942 do not  
8 apply to these charter schools.

9 2. Notwithstanding paragraph 1 of this subsection, the student count  
10 shall be determined initially using an estimated student count based on  
11 actual registration of pupils before the beginning of the school year. After  
12 the first one hundred days or two hundred days in session, as applicable, the  
13 charter school shall revise the student count to be equal to the actual  
14 average daily membership, as defined in section 15-901, or the adjusted  
15 average daily membership, as prescribed in section 15-902, of the charter  
16 school. A charter school that provides two hundred days of instruction may  
17 use section 15-902.02 for the purposes of this section. Before the one  
18 hundredth day or two hundredth day in session, as applicable, the state board  
19 of education or the state board for charter schools may require a charter  
20 school to report periodically regarding pupil enrollment and attendance, and  
21 the department of education may revise its computation of equalization  
22 assistance based on the report. A charter school shall revise its student  
23 count, base support level and additional assistance before May 15. A charter  
24 school that overestimated its student count shall revise its budget before  
25 May 15. A charter school that underestimated its student count may revise  
26 its budget before May 15.

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

31 4. Equalization assistance for the charter school shall be determined  
32 by adding the amount of the base support level and additional assistance.  
33 The amount of the additional assistance is one thousand five hundred  
34 eighty-eight dollars forty-four cents per student count in kindergarten  
35 programs and grades one through eight and one thousand eight hundred  
36 fifty-one dollars thirty cents per student count in grades nine through  
37 twelve.

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

43 6. The charter school shall not charge tuition for pupils who reside  
44 in this state, levy taxes or issue bonds. A charter school may admit pupils

1 who are not residents of this state and shall charge tuition for those pupils  
2 in the same manner prescribed in section 15-823.

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

9 C. If a pupil is enrolled in both a charter school and a public school  
10 that is not a charter school, the sum of the daily membership, which includes  
11 enrollment as prescribed in section 15-901, subsection A, paragraph 2,  
12 subdivisions (a) and (b) and daily attendance as prescribed in section  
13 15-901, subsection A, paragraph 6, for that pupil in the school district and  
14 the charter school shall not exceed 1.0, except that if the pupil is enrolled  
15 in both a charter school and a joint technical education district and resides  
16 within the boundaries of a school district participating in the joint  
17 technical education district, the sum of the average daily membership for  
18 that pupil in the charter school and the joint technical education district  
19 shall not exceed 1.25. If a pupil is enrolled in both a charter school and a  
20 public school that is not a charter school, the department of education shall  
21 direct the average daily membership to the school with the most recent  
22 enrollment date. Upon validation of actual enrollment in both a charter  
23 school and a public school that is not a charter school and if the sum of the  
24 daily membership or daily attendance for that pupil is greater than 1.0, the  
25 sum shall be reduced to 1.0 and shall be apportioned between the public  
26 school and the charter school based on the percentage of total time that the  
27 pupil is enrolled or in attendance in the public school and the charter  
28 school, except that if the pupil is enrolled in both a charter school and a  
29 joint technical education district and resides within the boundaries of a  
30 school district participating in the joint technical education district, the  
31 sum of the average daily membership for that pupil in the charter school and  
32 the joint technical education district shall be reduced to 1.25 and shall be  
33 apportioned between the charter school and the joint technical education  
34 district based on the percentage of total time that the pupil is enrolled or  
35 in attendance in the charter school and the joint technical education  
36 district. The uniform system of financial records shall include guidelines  
37 for the apportionment of the pupil enrollment and attendance as provided in  
38 this section.

39 D. Charter schools are allowed to accept grants and gifts to  
40 supplement their state funding, but it is not the intent of the charter  
41 school law to require taxpayers to pay twice to educate the same pupils. The  
42 base support level for a charter school or for a school district sponsoring a  
43 charter school shall be reduced by an amount equal to the total amount of  
44 monies received by a charter school from a federal or state agency if the  
45 federal or state monies are intended for the basic maintenance and operations

1 of the school. The superintendent of public instruction shall estimate the  
2 amount of the reduction for the budget year and shall revise the reduction to  
3 reflect the actual amount before May 15 of the current year. If the  
4 reduction results in a negative amount, the negative amount shall be used in  
5 computing all budget limits and equalization assistance, except that:

6 1. Equalization assistance shall not be less than zero.  
7 2. For a charter school sponsored by the state board of education or  
8 the state board for charter schools, the total of the base support level and  
9 the additional assistance shall not be less than zero.

10 3. For a charter school sponsored by a school district, the base  
11 support level for the school district shall not be reduced by more than the  
12 amount that the charter school increased the district's base support level,  
13 capital outlay revenue limit and soft capital allocation.

14 E. If a charter school was a district public school in the prior year  
15 and is now being operated for or by the same school district and sponsored by  
16 the state board of education, the state board for charter schools or a school  
17 district governing board, the reduction in subsection D of this section  
18 applies. The reduction to the base support level of the charter school or  
19 the sponsoring district of the charter school shall equal the sum of the base  
20 support level and the additional assistance received in the current year for  
21 those pupils who were enrolled in the traditional public school in the prior  
22 year and are now enrolled in the charter school in the current year.

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

26 G. At the request of a charter school, the county school  
27 superintendent of the county where the charter school is located may provide  
28 the same educational services to the charter school as prescribed in section  
29 15-308, subsection A. The county school superintendent may charge a fee to  
30 recover costs for providing educational services to charter schools.

31 H. If the sponsor of the charter school determines at a public meeting  
32 that the charter school is not in compliance with federal law, with the laws  
33 of this state or with its charter, the sponsor of a charter school may submit  
34 a request to the department of education to withhold up to ten per cent of  
35 the monthly apportionment of state aid that would otherwise be due the  
36 charter school. The department of education shall adjust the charter  
37 school's apportionment accordingly. The sponsor shall provide written notice  
38 to the charter school at least seventy-two hours before the meeting and shall  
39 allow the charter school to respond to the allegations of noncompliance at  
40 the meeting before the sponsor makes a final determination to notify the  
41 department of education of noncompliance. The charter school shall submit a  
42 corrective action plan to the sponsor on a date specified by the sponsor at  
43 the meeting. The corrective action plan shall be designed to correct  
44 deficiencies at the charter school and to ensure that the charter school  
45 promptly returns to compliance. When the sponsor determines that the charter

1 school is in compliance, the department of education shall restore the full  
2 amount of state aid payments to the charter school.

3 I. In addition to the withholding of state aid payments pursuant to  
4 subsection H of this section, the sponsor of a charter school may impose a  
5 civil penalty of one thousand dollars per occurrence if a charter school  
6 fails to comply with the fingerprinting requirements prescribed in section  
7 15-183, subsection C or section 15-512. The sponsor of a charter school  
8 shall not impose a civil penalty if it is the first time that a charter  
9 school is out of compliance with the fingerprinting requirements and if the  
10 charter school provides proof within forty-eight hours of written  
11 notification that an application for the appropriate fingerprint check has  
12 been received by the department of public safety. The sponsor of the charter  
13 school shall obtain proof that the charter school has been notified, and the  
14 notification shall identify the date of the deadline and shall be signed by  
15 both parties. The sponsor of a charter school shall automatically impose a  
16 civil penalty of one thousand dollars per occurrence if the sponsor  
17 determines that the charter school subsequently violates the fingerprinting  
18 requirements. Civil penalties pursuant to this subsection shall be assessed  
19 by requesting the department of education to reduce the amount of state aid  
20 that the charter school would otherwise receive by an amount equal to the  
21 civil penalty. The amount of state aid withheld shall revert to the state  
22 general fund at the end of the fiscal year.

23 J. A charter school may receive and spend monies distributed by the  
24 department of education pursuant to section 42-5029, subsection E and section  
25 37-521, subsection B.

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

35 L. THE GOVERNING BODY OF A CHARTER SCHOOL MAY CONTRACT WITH THE  
36 PRIVATE ORGANIZATION THAT IS APPROVED BY THE STATE BOARD OF EDUCATION  
37 PURSUANT TO SECTION 15-792.02 TO PROVIDE APPROVED BOARD EXAMINATION SYSTEMS  
38 FOR THE CHARTER SCHOOL.

39 ~~L.~~ M. For the purposes of this section:

40 1. "Monies intended for the basic maintenance and operations of the  
41 school" means monies intended to provide support for the educational program  
42 of the school, except that it does not include supplemental assistance for a  
43 specific purpose or title VIII of the elementary and secondary education act  
44 of 1965 monies. The auditor general shall determine which federal or state  
45 monies meet the definition in this paragraph.

1           2. "Operated for or by the same school district" means the charter  
2 school is either governed by the same district governing board or operated by  
3 the district in the same manner as other traditional schools in the district  
4 or is operated by an independent party that has a contract with the school  
5 district. The auditor general and the department of education shall  
6 determine which charter schools meet the definition in this subsection.

7           Sec. 3. Section 15-241, Arizona Revised Statutes, is amended to read:

8           15-241. School accountability; schools failing to meet academic  
9                                   standards; failing schools tutoring fund;  
10                                   classification label for school districts and charter  
11                                   school operators

12           A. The department of education shall compile an annual achievement  
13 profile for each public school.

14           B. Each school shall submit to the department any data that is  
15 required and requested and that is necessary to compile the achievement  
16 profile. A school that fails to submit the information that is necessary is  
17 not eligible to receive monies from the classroom site fund established by  
18 section 15-977.

19           C. The department shall establish a baseline achievement profile for  
20 each school ~~by October 15, 2001~~. The baseline achievement profile shall be  
21 used to determine a standard measurement of acceptable academic progress for  
22 each school and a school classification pursuant to subsection H of this  
23 section. Any disclosure of educational records compiled by the department of  
24 education pursuant to this section shall comply with the family educational  
25 and privacy rights act of 1974 (20 United States Code section 1232g).

26           D. The achievement profile for schools that offer instruction in  
27 kindergarten programs and grades one through eight, or any combination of  
28 those programs or grades, shall include the following school academic  
29 performance indicators:

30           1. The Arizona measure of academic progress. The department shall  
31 compute the extent of academic progress made by the pupils in each school  
32 during the course of each year.

33           2. The Arizona instrument to measure standards test. The department  
34 shall compute the percentage of pupils who meet or exceed the standard on the  
35 Arizona instrument to measure standards test, as prescribed by the state  
36 board of education. The superintendent of public instruction and the  
37 department may calculate academic gain on the Arizona instrument to measure  
38 standards test according to each of the school classifications prescribed in  
39 subsection G of this section on a statewide basis, for each school district  
40 in this state and for each school by determining the average scale scores for  
41 students in the current academic year as compared to the average scale scores  
42 for the previous academic year for the same students.

43           3. The results of English language learners tests administered  
44 pursuant to section 15-756, subsection B, section 15-756.05 and section  
45 15-756.06.

1 E. The achievement profile for schools that offer instruction in  
2 grades nine through twelve, or any combination of those grades, shall include  
3 the following school academic performance indicators:

4 1. The Arizona instrument to measure standards test. The department  
5 shall compute the percentage of pupils pursuant to subsection G of this  
6 section who meet or exceed the standard on the Arizona instrument to measure  
7 standards test, as prescribed by the state board of education. The  
8 superintendent of public instruction and the department may calculate  
9 academic gain on the Arizona instrument to measure standards test according  
10 to each of the school classifications prescribed in subsection G of this  
11 section on a statewide basis, for each school district in this state and for  
12 each school by determining the average scale scores for students in the  
13 current academic year as compared to the average scale scores for the  
14 previous academic year for the same students.

15 2. The annual dropout rate.

16 3. The annual graduation rate.

17 4. The results of English language learners tests administered  
18 pursuant to section 15-756, subsection B, section 15-756.05 and section  
19 15-756.06.

20 F. Schools that offer instruction in all or a combination of the  
21 grades specified in subsections D and E of this section shall include a  
22 single achievement profile for that school that includes the school academic  
23 performance indicators specified in subsections D and E of this section.

24 G. Subject to final adoption by the state board of education, the  
25 department shall determine the criteria for each school classification using  
26 a research based methodology. The methodology shall include the performance  
27 of pupils at all achievement levels, account for pupil mobility, account for  
28 the distribution of pupil achievement at each school and include longitudinal  
29 indicators of academic performance. For the purposes of this subsection,  
30 "research based methodology" means the systematic and objective application  
31 of statistical and quantitative research principles to determine a standard  
32 measurement of acceptable academic progress for each school.

33 H. EXCEPT AS PROVIDED IN SUBSECTION EE OF THIS SECTION, the  
34 achievement profile shall be used to determine a school classification that  
35 designates each school as one of the following:

36 1. An excelling school.

37 2. A highly performing school.

38 3. A performing school.

39 4. An underperforming school.

40 5. A school failing to meet academic standards.

41 I. The classification for each school and the criteria used to  
42 determine classification pursuant to subsection G of this section shall be  
43 included on the school report card prescribed in section 15-746.

44 J. Subject to final adoption by the state board of education, the  
45 department of education shall develop a parallel achievement profile for

1 accommodation schools, alternative schools as defined by the state board of  
2 education and extremely small schools as defined by the state board of  
3 education for the purposes of this section.

4 K. If a school is designated as an underperforming school, within  
5 ninety days after receiving notice of the designation, the governing board  
6 shall develop an improvement plan for the school, submit a copy of the plan  
7 to the superintendent of public instruction and supervise the implementation  
8 of the plan. The plan shall include necessary components as identified by  
9 the state board of education. Within thirty days after submitting the  
10 improvement plan to the superintendent of public instruction, the governing  
11 board shall hold a special public meeting in each school that has been  
12 designated as an underperforming school and shall present the respective  
13 improvement plans that have been developed for each school. The school  
14 district governing board, within thirty days of receiving notice of the  
15 designation, shall provide written notification of the classification to each  
16 residence within the attendance area of the school. The notice shall explain  
17 the improvement plan process and provide information regarding the public  
18 meeting required by this subsection.

19 L. A school that has not submitted an improvement plan pursuant to  
20 subsection K of this section is not eligible to receive monies from the  
21 classroom site fund established by section 15-977 for every day that a plan  
22 has not been received by the superintendent of public instruction within the  
23 time specified in subsection K of this section plus an additional ninety  
24 days. The state board of education shall require the superintendent of the  
25 school district to testify before the board and explain the reasons that an  
26 improvement plan for that school has not been submitted.

27 M. If a charter school is designated as an underperforming school,  
28 within thirty days the school shall notify the parents of the students  
29 attending the school of the classification. The notice shall explain the  
30 improvement plan process and provide information regarding the public meeting  
31 required by this subsection. Within ninety days of receiving the  
32 classification, the charter holder shall present an improvement plan to the  
33 charter sponsor at a public meeting and submit a copy of the plan to the  
34 superintendent of public instruction. The improvement plan shall include  
35 necessary components as identified by the state board of education. For  
36 every day that an improvement plan is not received by the superintendent of  
37 public instruction, the school is not eligible to receive monies from the  
38 classroom site fund established by section 15-977 for every day that a plan  
39 has not been received by the superintendent of public instruction within the  
40 time specified in subsection K of this section plus an additional ninety  
41 days. The charter holder shall appear before the sponsoring board and  
42 explain why the improvement plan has not been submitted.

43 N. The department of education shall establish an appeals process, to  
44 be approved by the state board of education, for a school to appeal data used  
45 to determine the achievement profile of the school. The criteria established

1 shall be based on mitigating factors and may include a visit to the school  
2 site by the department of education.

3 O. If a school remains classified as an underperforming school for a  
4 third consecutive year, the department of education shall visit the school  
5 site to confirm the classification data and to review the implementation of  
6 the school's improvement plan. The school shall be classified as failing to  
7 meet academic standards unless an alternate classification is made after an  
8 appeal pursuant to subsection N of this section.

9 P. The school district governing board, within thirty days of  
10 receiving notice of the school failing to meet academic standards  
11 classification, shall provide written notification of the classification to  
12 each residence in the attendance area of the school. The notice shall  
13 explain the improvement plan process and provide information regarding the  
14 public meeting required by subsection S of this section.

15 Q. The superintendent of public instruction, based on need, shall  
16 assign a solutions team to an underperforming school, a school failing to  
17 meet academic standards or any other school pursuant to a mutual agreement  
18 between the department of education and the school comprised of master  
19 teachers, fiscal analysts and curriculum assessment experts who are certified  
20 by the state board of education as Arizona academic standards technicians.  
21 The department of education may hire or contract with administrators,  
22 principals and teachers who have demonstrated experience with the  
23 characteristics and situations in an underperforming school or a school  
24 failing to meet academic standards and may use these personnel as part of the  
25 solutions team. The department of education shall work with staff at the  
26 school to assist in curricula alignment and shall instruct teachers on how to  
27 increase pupil academic progress, considering the school's achievement  
28 profile. The solutions team shall consider the existing improvement plan to  
29 assess the need for changes to curriculum, professional development and  
30 resource allocation and shall present a statement of its findings to the  
31 school administrator and district superintendent. Within forty-five days  
32 after the presentation of the solutions team's statement of findings, the  
33 school district governing board, in cooperation with each school within the  
34 school district that is designated an underperforming school and its assigned  
35 solutions team representative, shall develop and submit to the department of  
36 education an action plan that details the manner in which the school district  
37 will assist the school as the school incorporates the findings of the  
38 solutions team into the improvement plan. The department of education shall  
39 review the action plan and shall either accept the action plan or return the  
40 action plan to the school district for modification. If the school district  
41 does not submit an approved action plan within forty-five days, the state  
42 board of education may direct the superintendent of public instruction to  
43 withhold up to ten per cent of state monies that the school district would  
44 otherwise be entitled to receive each month until the plan is submitted to

1 the department of education, at which time those monies shall be returned to  
2 the school district.

3 R. The parent or the guardian of the pupil may apply to the department  
4 of education, in a manner determined by the department of education, for a  
5 certificate of supplemental instruction from the failing schools tutoring  
6 fund established by this section. Pupils attending a school designated as an  
7 underperforming school or a school failing to meet academic standards or a  
8 pupil who has failed to pass one or more portions of the Arizona instrument  
9 to measure standards test in grades eight through twelve in order to graduate  
10 from high school may select an alternative tutoring program in academic  
11 standards from a provider that is certified by the state board of education.  
12 To qualify, the provider must state in writing a level of academic  
13 improvement for the pupil that includes a timeline for improvement that is  
14 agreed to by the parent or guardian of the pupil. The state board of  
15 education shall annually review academic performance levels for providers  
16 certified pursuant to this subsection and may remove a provider at a public  
17 hearing from an approved list of providers if that provider fails to meet its  
18 stated level of academic improvement. The state board of education shall  
19 determine the application guidelines and the maximum value for each  
20 certificate of supplemental instruction. The state board of education shall  
21 annually complete a market survey in order to determine the maximum value for  
22 each certificate of supplemental instruction. Nothing in this subsection  
23 shall be construed to require the state to provide additional monies beyond  
24 the monies provided pursuant to section 42-5029, subsection E, paragraph 7.

25 S. Within sixty days of receiving notification of designation as a  
26 school failing to meet academic standards, the school district governing  
27 board shall evaluate needed changes to the existing improvement plan for the  
28 school, consider recommendations from the solutions team, submit a copy of  
29 the plan to the superintendent of public instruction and supervise the  
30 implementation of the plan. Within thirty days after submitting the  
31 improvement plan to the superintendent of public instruction, the governing  
32 board shall hold a public meeting in each school that has been designated as  
33 a school failing to meet academic standards and shall present the respective  
34 improvement plans that have been developed for each school.

35 T. A school that has not submitted an improvement plan pursuant to  
36 subsection S of this section is not eligible to receive monies from the  
37 classroom site fund established by section 15-977 for every day that a plan  
38 has not been received by the superintendent of public instruction within the  
39 time specified in subsection S of this section plus an additional ninety  
40 days. The state board of education shall require the superintendent of the  
41 school district to testify before the board and explain the reasons that an  
42 improvement plan for that school has not been submitted.

43 U. If a charter school is designated as a school failing to meet  
44 academic standards, the department of education shall immediately notify the  
45 charter school's sponsor. The charter school's sponsor shall either take

1 action to restore the charter school to acceptable performance or revoke the  
2 charter school's charter. Within thirty days the school shall notify the  
3 parents of the students attending the school of the classification and of any  
4 pending public meetings to review the issue.

5 V. A school that has been designated as a school failing to meet  
6 academic standards shall be evaluated by the department of education to  
7 determine if the school failed to properly implement its school improvement  
8 plan, align the curriculum with academic standards, provide teacher training,  
9 prioritize the budget or implement other proven strategies to improve  
10 academic performance. After visiting the school site pursuant to subsection  
11 O of this section, the department of education shall submit to the state  
12 board of education a recommendation to proceed pursuant to subsections Q, R  
13 and S of this section or that the school be subject to a public hearing to  
14 determine if the school failed to properly implement its improvement plan and  
15 the reasons for the department's recommendation.

16 W. If the department does recommend a public hearing, the state board  
17 of education shall meet and may provide by a majority vote at the public  
18 hearing for the continued operation of the school as allowed by this  
19 subsection. The state board of education shall determine whether  
20 governmental, nonprofit and private organizations may submit applications to  
21 the state board to fully or partially manage the school. The state board's  
22 determination shall include:

23 1. If and to what extent the local governing board may participate in  
24 the operation of the school including personnel matters.

25 2. If and to what extent the state board of education shall  
26 participate in the operation of the school.

27 3. Resource allocation pursuant to subsection Y of this section.

28 4. Provisions for the development and submittal of a school  
29 improvement plan to be presented in a public meeting at the school.

30 5. A suggested time frame for the alternative operation of the school.

31 X. The state board shall periodically review the status of a school  
32 that is operated by an organization other than the school district governing  
33 board to determine whether the operation of the school should be returned to  
34 the school district governing board. Before the state board makes a  
35 determination, the state board or its designee shall meet with the school  
36 district governing board or its designee to determine the time frame,  
37 operational considerations and the appropriate continuation of existing  
38 improvements that are necessary to assure a smooth transition of authority  
39 from the other organization back to the school district governing board.

40 Y. If an alternative operation plan is provided pursuant to subsection  
41 W of this section, the state board of education shall pay for the operation  
42 of the school and shall adjust the school district's student count pursuant  
43 to section 15-902, soft capital allocation pursuant to section 15-962,  
44 capital outlay revenue limit pursuant to section 15-961, base support level  
45 pursuant to section 15-943, monies distributed from the classroom site fund

1 established by section 15-977 and transportation support level pursuant to  
2 section 15-945 to accurately reflect any reduction in district services that  
3 are no longer provided to that school by the district. The state board of  
4 education may modify the school district's revenue control limit, the  
5 district support level and the general budget limit calculated pursuant to  
6 section 15-947 by an amount that corresponds to this reduction in services.  
7 The state board of education shall retain the portion of state aid that would  
8 otherwise be due the school district for the school and shall distribute that  
9 portion of state aid directly to the organization that contracts with the  
10 state board of education to operate the school.

11 Z. If the state board of education determines that a charter school  
12 failed to properly implement its improvement plan, the sponsor of the charter  
13 school shall revoke the charter school's charter.

14 AA. If there are more than two schools in a district and more than  
15 one-half, or in any case more than five, of the schools in the district are  
16 designated as schools failing to meet academic standards for more than two  
17 consecutive years, in the next election of members of the governing board the  
18 election ballot shall contain the following statement immediately above the  
19 listing of governing board candidates:

20 Within the last five years, (number of schools) schools in the  
21 \_\_\_\_\_ school district have been designated as "schools  
22 failing to meet academic standards" by the superintendent of  
23 public instruction.

24 BB. At least twice each year the department of education shall publish  
25 in a newspaper of general circulation in each county of this state a list of  
26 schools that are designated as schools failing to meet academic standards.

27 CC. The failing schools tutoring fund is established consisting of  
28 monies collected pursuant to section 42-5029, subsection E as designated for  
29 this purpose. The department of education shall administer the fund. The  
30 department of education may use monies from the fund to purchase materials  
31 designed to assist students to meet the Arizona academic standards and to  
32 achieve a passing score on the Arizona instrument to measure standards test  
33 in order to graduate from high school.

34 DD. The department of education may develop a classification label for  
35 school districts and charter school operators. If the department of  
36 education develops a classification label for school districts and charter  
37 school operators, the classification label may be developed from the  
38 following components:

- 39 1. Measures of academic progress.
- 40 2. Pupil assessment data.
- 41 3. The attendance rates and graduation rates of pupils who are  
42 educated in that charter school operator's charter schools or in that school  
43 district's schools.
- 44 4. The percentage of the parents of pupils enrolled in that charter  
45 school operator's charter schools or in that school district's schools that

1 categorizes the quality of their child's education as excellent on a parental  
2 rating of school quality.

3 EE. THE STATE BOARD OF EDUCATION SHALL DETERMINE APPROPRIATE  
4 MODIFICATIONS TO THE CRITERIA USED TO CALCULATE ACHIEVEMENT PROFILES FOR  
5 SCHOOLS THAT PARTICIPATE IN THE BOARD EXAMINATION SYSTEM PRESCRIBED IN  
6 CHAPTER 7, ARTICLE 6 OF THIS TITLE.

7 Sec. 4. Title 15, chapter 3, article 3, Arizona Revised Statutes, is  
8 amended by adding section 15-342.01, to read:

9 15-342.01. Other discretionary powers

10 A. THE GOVERNING BOARD MAY CONTRACT WITH THE PRIVATE ORGANIZATION THAT  
11 IS APPROVED BY THE STATE BOARD OF EDUCATION PURSUANT TO SECTION 15-792.02 TO  
12 PROVIDE APPROVED BOARD EXAMINATION SYSTEMS FOR THE SCHOOLS IN THE SCHOOL  
13 DISTRICT.

14 B. IF A SCHOOL DISTRICT DECIDES NOT TO PARTICIPATE IN THE BOARD  
15 EXAMINATION SYSTEM PRESCRIBED IN CHAPTER 7, ARTICLE 6 OF THIS TITLE, PUPILS  
16 ENROLLED IN THAT SCHOOL DISTRICT MAY EARN A GRAND CANYON DIPLOMA BY OBTAINING  
17 A PASSING SCORE ON THE SAME BOARD EXAMINATIONS.

18 Sec. 5. Section 15-701.01, Arizona Revised Statutes, is amended to  
19 read:

20 15-701.01. High school; graduation; requirements; community  
21 college or university courses; transfer from  
22 private schools; academic credit

23 A. The state board of education shall:

24 1. Prescribe a minimum course of study, as defined in section 15-101  
25 and incorporating the academic standards adopted by the state board of  
26 education, for the graduation of pupils from high school.

27 2. Prescribe competency requirements for the graduation of pupils from  
28 high school incorporating the academic standards in at least the areas of  
29 reading, writing, mathematics, science and social studies.

30 3. Develop and adopt competency tests pursuant to section 15-741 for  
31 the graduation of pupils from high school in at least the areas of reading,  
32 writing and mathematics and shall establish passing scores for each such  
33 test. For the purposes of satisfying the graduation requirements of this  
34 paragraph, a minimum score as determined by the state board of education on  
35 one or more nationally recognized college entrance examinations selected by  
36 the state board of education, if examination information may be accessed at  
37 no cost to this state, may be substituted for passing scores on the Arizona  
38 instrument to measure standards test if a pupil who is in grade twelve has  
39 previously taken the Arizona instrument to measure standards test at each  
40 administration of the test. FOR THE PURPOSES OF SATISFYING THE GRADUATION  
41 REQUIREMENTS OF THIS PARAGRAPH, A SCORE AS DETERMINED BY THE STATE BOARD OF  
42 EDUCATION ON A BOARD EXAMINATION PRESCRIBED IN ARTICLE 6 OF THIS CHAPTER MAY  
43 BE SUBSTITUTED FOR PASSING SCORES ON THE ARIZONA INSTRUMENT TO MEASURE  
44 STANDARDS TEST IF A PUPIL WHO IS IN GRADE TWELVE HAS PREVIOUSLY TAKEN THE  
45 BOARD EXAMINATION AND HAS NOT ACHIEVED THE MINIMUM SCORE REQUIRED TO EARN A

1 **GRAND CANYON DIPLOMA.** A pupil shall not be required to pass the competency  
2 test required in this paragraph to graduate from high school if the pupil  
3 transfers into the district from out-of-state and has successfully passed a  
4 statewide assessment test on state adopted standards that are substantially  
5 equivalent to the state board adopted academic standards.

6 B. If the state board of education adopts a competency test as a  
7 graduation requirement for a child with a disability as defined in section  
8 15-761 or a child who receives special education pursuant to section 15-763,  
9 pupils with individualized education programs shall not be required to  
10 achieve passing scores on competency tests in order to graduate from high  
11 school unless the pupil is learning at a level appropriate for the pupil's  
12 grade level in a specific academic area and unless passing scores on a  
13 competency test are specifically required in a specific academic area by the  
14 pupil's individualized education program as mutually agreed on by the pupil's  
15 parents and the pupil's individualized education program team or the pupil,  
16 if the pupil is at least eighteen years of age. These competency tests shall  
17 be administered to pupils in a manner prescribed in the pupil's  
18 individualized education program, and school districts and charter schools  
19 shall make specific and appropriate accommodations for pupils with  
20 individualized education programs. Pupils with section 504 plans as defined  
21 in section 15-731 shall not be required to achieve passing scores on  
22 competency tests in order to graduate from high school unless the pupil is  
23 learning at a level appropriate for the pupil's grade level in a specific  
24 academic area and unless passing scores on a competency test are specifically  
25 required in a specific academic area by the pupil's section 504 plan that is  
26 developed in consultation with the pupil's parents. These competency tests  
27 shall be administered to pupils in a manner prescribed in the pupil's section  
28 504 plan, and school districts and charter schools shall make specific and  
29 appropriate accommodations for pupils with a section 504 plan. A pupil with  
30 an individualized education program or a section 504 plan who graduates from  
31 high school but who is not required to achieve a passing score on a  
32 competency test in order to graduate from high school shall receive the  
33 standard diploma issued by the school district or charter school.

34 C. The governing board of a school district shall:

35 1. Prescribe curricula that include the academic standards in the  
36 required subject areas pursuant to subsection A, paragraph 1 of this section.

37 2. Prescribe criteria for the graduation of pupils from the high  
38 schools in the school district. These criteria shall include accomplishment  
39 of the academic standards in at least reading, writing, mathematics, science  
40 and social studies, as determined by district assessment. Other criteria may  
41 include additional measures of academic achievement and attendance.

42 D. The governing board may prescribe the course of study and  
43 competency requirements for the graduation of pupils from high school that  
44 are in addition to or higher than the course of study and competency  
45 requirements which the state board prescribes.

1 E. The governing board may prescribe competency requirements for the  
2 passage of pupils in courses that are required for graduation from high  
3 school.

4 F. A teacher shall determine whether to pass or fail a pupil in a  
5 course in high school as provided in section 15-521, paragraph 3 on the basis  
6 of the competency requirements, if any have been prescribed. The governing  
7 board, if it reviews the decision of a teacher to pass or fail a pupil in a  
8 course in high school as provided in section 15-342, paragraph 11, shall base  
9 its decision on the competency requirements, if any have been prescribed.

10 G. Graduation requirements established by the governing board may be  
11 met by a pupil who passes courses in the required or elective subjects at a  
12 community college or university, if the course is at a higher level than the  
13 course taught in the high school attended by the pupil or, if the course is  
14 not taught in the high school, the level of the course is equal to or higher  
15 than the level of a high school course. The governing board shall determine  
16 if the subject matter of the community college or university course is  
17 appropriate to the specific requirement the pupil intends it to fulfill and  
18 if the level of the community college or university course is less than,  
19 equal to or higher than a high school course, and the governing board shall  
20 award one-half of a carnegie unit for each three semester hours of credit the  
21 pupil earns in an appropriate community college or university course. If a  
22 pupil is not satisfied with the decision of the governing board regarding the  
23 amount of credit granted or the subjects for which credit is granted, the  
24 pupil may request that the state board of education review the decision of  
25 the governing board, and the state board shall make the final determination  
26 of the amount of credit to be given the pupil and for which subjects. The  
27 governing board shall not limit the number of credits that is required for  
28 high school graduation and that may be met by taking community college or  
29 university courses. For the purposes of this subsection:

30 1. "Community college" means an educational institution that is  
31 operated by a community college district as defined in section 15-1401 or a  
32 postsecondary educational institution under the jurisdiction of an Indian  
33 tribe recognized by the United States department of the interior.

34 2. "University" means a university under the jurisdiction of the  
35 Arizona board of regents.

36 H. A pupil who transfers from a private school shall be provided with  
37 a list that indicates those credits that have been accepted and denied by the  
38 school district. A pupil may request to take an examination in each  
39 particular course in which credit has been denied. The school district shall  
40 accept the credit for each particular course in which the pupil takes an  
41 examination and receives a passing score on a test designed and evaluated by  
42 a teacher in the school district who teaches the subject matter on which the  
43 examination is based. In addition to the above requirements, the governing  
44 board of a school district may prescribe requirements for the acceptance of  
45 the credits of pupils who transfer from a private school.

1 I. If a pupil who was previously enrolled in a charter school or  
2 school district enrolls in a school district in this state, the school  
3 district shall accept credits earned by the pupil in courses or instructional  
4 programs at the charter school or school district. The governing board of a  
5 school district may adopt a policy concerning the application of transfer  
6 credits for the purpose of determining whether a credit earned by a pupil who  
7 was previously enrolled in a school district or charter school will be  
8 assigned as an elective or core credit.

9 J. A pupil who transfers from a charter school or school district  
10 shall be provided with a list that indicates which credits have been accepted  
11 as an elective credit and which credits have been accepted as a core credit  
12 by the school district. Within ten school days after receiving the list, a  
13 pupil may request to take an examination in each particular course in which  
14 core credit has been denied. The school district shall accept the credit as  
15 a core credit for each particular course in which the pupil takes an  
16 examination and receives a passing score on a test designed and evaluated by  
17 a teacher in the school district who teaches the subject matter on which the  
18 examination is based.

19 K. The state board of education shall adopt rules to allow high school  
20 pupils who can demonstrate competency in a particular academic course or  
21 subject to obtain academic credit for the course or subject without enrolling  
22 in the course or subject.

23 L. PUPILS WHO EARN A GRAND CANYON DIPLOMA PURSUANT TO ARTICLE 6 OF  
24 THIS CHAPTER ARE EXEMPT FROM THE GRADUATION REQUIREMENTS PRESCRIBED IN THIS  
25 SECTION, INCLUDING THE REQUIREMENT THAT A PUPIL OBTAIN PASSING SCORES ON THE  
26 ARIZONA INSTRUMENT TO MEASURE STANDARDS TEST IN ORDER TO GRADUATE FROM HIGH  
27 SCHOOL. PUPILS WHO EARN A GRAND CANYON DIPLOMA ARE ENTITLED TO ALL THE  
28 RIGHTS AND PRIVILEGES OF PERSONS WHO GRADUATE WITH A HIGH SCHOOL DIPLOMA  
29 ISSUED PURSUANT TO THIS SECTION, INCLUDING ACCESS TO POSTSECONDARY  
30 SCHOLARSHIPS AND OTHER FORMS OF STUDENT FINANCIAL AID AND ACCESS TO ALL FORMS  
31 OF POSTSECONDARY EDUCATION. NOTWITHSTANDING ANY OTHER LAW, A PUPIL WHO EARNS  
32 A GRAND CANYON DIPLOMA MAY ELECT TO REMAIN IN HIGH SCHOOL THROUGH GRADE  
33 TWELVE. A PUPIL WHO EARNS A GRAND CANYON DIPLOMA AND WHO ELECTS NOT TO  
34 PURSUE ONE OF THE OPTIONS PRESCRIBED IN SECTION 15-792.03 MAY ONLY BE  
35 READMITTED TO THAT HIGH SCHOOL OR ANOTHER HIGH SCHOOL IN THIS STATE PURSUANT  
36 TO POLICIES ADOPTED BY THE SCHOOL DISTRICT OF READMISSION.

37 Sec. 6. Title 15, chapter 7, Arizona Revised Statutes, is amended by  
38 adding article 6, to read:

39 ARTICLE 6. BOARD EXAMINATION SYSTEM

40 15-792. Declaration of purpose and policy

41 THE LEGISLATURE DECLARES AND FINDS THAT:

42 1. IT IS IN THE INTEREST OF THIS STATE TO GREATLY INCREASE THE  
43 PROPORTION OF STUDENTS WHO ENTER HIGH SCHOOL AND WHO SUBSEQUENTLY LEAVE THOSE  
44 HIGH SCHOOLS WITH THE SKILLS NEEDED TO COMPETE EFFECTIVELY IN A GLOBAL

1 ECONOMY THAT PROVIDES WORLD CLASS WAGES ONLY TO WORKERS WITH WORLD CLASS  
2 SKILLS.

3 2. IT IS IN THE INTEREST OF STUDENTS IN THIS STATE, THEIR FAMILIES AND  
4 SCHOOLS TO PROVIDE A COLLEGE AND WORK READINESS ASSESSMENT TO STUDENTS.

5 3. THE PURPOSE OF THIS ARTICLE IS TO GREATLY INCREASE THE PROPORTION  
6 OF STUDENTS IN THIS STATE WHO LEAVE HIGH SCHOOL WITH THE SKILLS AND KNOWLEDGE  
7 NEEDED TO SUCCEED IN COLLEGE IN A WAY THAT DOES NOT SIGNIFICANTLY INCREASE  
8 THE COST OF HIGH SCHOOL.

9 15-792.01. Definitions

10 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

11 1. "APPROVED BOARD EXAMINATION SYSTEM" MEANS A BOARD EXAMINATION  
12 SYSTEM THAT HAS BEEN APPROVED BY AN INTERSTATE COMPACT ON BOARD EXAMINATION  
13 SYSTEMS.

14 2. "BOARD EXAMINATION SYSTEM" MEANS A COMPLETE INSTRUCTIONAL SYSTEM  
15 THAT INCLUDES ALL OF THE FOLLOWING COMPONENTS:

16 (a) A COHERENT GROUP OF COURSES THAT COLLECTIVELY CONSTITUTES A CORE  
17 CURRICULUM AT THE HIGH SCHOOL LEVEL.

18 (b) A COMPREHENSIVE SYLLABUS FOR EACH COURSE.

19 (c) APPROPRIATE INSTRUCTIONAL AND TEACHING MATERIALS FOR EACH COURSE.

20 (d) HIGH QUALITY EXAMINATIONS THAT ARE CLOSELY ALIGNED WITH THE COURSE  
21 SYLLABUS.

22 (e) PROFESSIONAL SCORING OF EXAMINATIONS.

23 (f) TEACHER EDUCATION THAT IS DESIGNED TO TRAIN TEACHERS TO PROPERLY  
24 TEACH THOSE COURSES.

25 3. "GRAND CANYON DIPLOMA" MEANS A HIGH SCHOOL DIPLOMA THAT IS OFFERED  
26 TO ANY STUDENT WHO DEMONSTRATES READINESS FOR COLLEGE LEVEL MATHEMATICS AND  
27 ENGLISH ACCORDING TO STANDARDS PRESCRIBED BY AN INTERSTATE COMPACT ON BOARD  
28 EXAMINATION SYSTEMS, WHO HAS PASSING GRADES ON AN ADDITIONAL SET OF REQUIRED  
29 APPROVED BOARD EXAMINATIONS IN CORE ACADEMIC COURSES AS DETERMINED BY THE  
30 STATE BOARD OF EDUCATION, INCLUDING THE ARTS, HISTORY AND SCIENCE, AND WHO  
31 SUCCESSFULLY COMPLETES A COURSE IN ECONOMICS.

32 4. "READINESS FOR COLLEGE LEVEL MATHEMATICS AND ENGLISH" MEANS THAT A  
33 STUDENT HAS THE ENGLISH AND MATHEMATICS SKILLS AND KNOWLEDGE NEEDED TO  
34 SUCCEED IN COLLEGE LEVEL COURSES THAT COUNT TOWARD A DEGREE OR CERTIFICATE  
35 WITHOUT TAKING REMEDIAL OR DEVELOPMENTAL COURSEWORK.

36 15-792.02. Board examination system; private contractor; duties

37 A. THE STATE BOARD OF EDUCATION SHALL SELECT AND ENTER INTO A  
38 FIVE-YEAR AGREEMENT WITH A PRIVATE ORGANIZATION TO OPERATE AND ADMINISTER THE  
39 BOARD EXAMINATION SYSTEM PRESCRIBED IN THIS ARTICLE.

40 B. THE PRIVATE ORGANIZATION SELECTED BY THE STATE BOARD OF EDUCATION  
41 SHALL:

42 1. IDENTIFY, SELECT AND CONTRACT WITH A NATIONAL ORGANIZATION THAT IS  
43 DEVOTED TO ISSUES CONCERNING EDUCATION AND THE ECONOMY AND THAT IS SELECTED  
44 BY THE STATE BOARD OF EDUCATION TO PROVIDE TECHNICAL SERVICES TO DEVELOP AND  
45 MAINTAIN AN INTERSTATE SYSTEM OF APPROVED BOARD EXAMINATION SYSTEMS.

1           2. PROVIDE DATA AND OTHER INFORMATION TO A NATIONAL ORGANIZATION THAT  
2 IS DEVOTED TO ISSUES CONCERNING EDUCATION AND THE ECONOMY AND THAT IS  
3 SELECTED BY THE STATE BOARD OF EDUCATION TO PROVIDE TECHNICAL SERVICES THE  
4 NATIONAL ORGANIZATION DEEMS NECESSARY TO SET APPROPRIATE PERFORMANCE  
5 STANDARDS FOR THE STUDENTS IN THIS STATE. THE DEPARTMENT OF EDUCATION SHALL  
6 PROVIDE DATA AND OTHER INFORMATION TO THE PRIVATE ORGANIZATION.

7           3. CONDUCT TECHNICAL STUDIES REQUIRED BY THE STATE BOARD OF EDUCATION  
8 TO COMPARE THE SCORES ON APPROVED BOARD EXAMINATIONS BY THE STUDENTS IN THIS  
9 STATE TO SCORES ON THE ARIZONA INSTRUMENT TO MEASURE STANDARDS TEST AND OTHER  
10 MEASURES DEEMED NECESSARY TO ENSURE THE EFFICACY OF THE APPROVED BOARD  
11 EXAMINATIONS. THE PRIVATE ORGANIZATION MAY CONTRACT WITH OTHER ENTITIES THAT  
12 ARE SELECTED BY THE STATE BOARD OF EDUCATION FOR THE PURPOSE OF CONDUCTING  
13 TECHNICAL STUDIES.

14           4. IN COOPERATION WITH THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND  
15 THE STATE BOARD OF EDUCATION, SOLICIT MONIES FROM ALL LAWFUL PRIVATE AND  
16 PUBLIC SOURCES, INCLUDING FEDERAL MONIES, TO OFFSET THE COSTS OF INSTRUCTION  
17 PROVIDED TO STUDENTS UNDER THIS ARTICLE.

18           5. EXERCISE GENERAL SUPERVISION OVER THE IMPLEMENTATION OF THE  
19 APPROVED BOARD EXAMINATION SYSTEMS IN THIS STATE FOR THE DURATION OF THE  
20 FIVE-YEAR CONTRACT. THESE EXAMINATION SYSTEMS SHALL MEET THE FOLLOWING  
21 CRITERIA:

22           (a) APPEAR ON A LIST OF APPROVED BOARD EXAMINATION SYSTEMS SELECTED BY  
23 THE INTERSTATE COMPACT.

24           (b) BE PERIODICALLY MODIFIED TO REFLECT CORE STANDARDS SELECTED BY AN  
25 INTERSTATE COMPACT ON BOARD EXAMINATION SYSTEMS.

26           (c) HAVE COMMON PASSING SCORES THAT ARE PRESCRIBED BY AN INTERSTATE  
27 COMPACT ON BOARD EXAMINATION SYSTEMS AND THAT ARE SET TO THE LEVEL OF  
28 LITERACY REQUIRED TO SUCCEED IN COLLEGE-LEVEL COURSES OFFERED BY COMMUNITY  
29 COLLEGES IN THIS STATE THAT COUNT TOWARD A DEGREE OR CERTIFICATE WITHOUT  
30 TAKING REMEDIAL OR DEVELOPMENTAL COURSEWORK. THE PRIVATE ORGANIZATION, ON  
31 APPROVAL OF THE STATE BOARD OF EDUCATION AND WITH INPUT FROM REPRESENTATIVES  
32 FROM SCHOOL DISTRICTS, CHARTER SCHOOLS, COMMUNITY COLLEGES AND UNIVERSITIES  
33 IN THIS STATE, SHALL DESIGNATE TWO INDIVIDUALS TO REPRESENT THIS STATE IN AN  
34 INTERSTATE COMPACT ON BOARD EXAMINATION SYSTEMS TO PRESCRIBE THE COMMON  
35 PASSING SCORES PRESCRIBED IN THIS SUBDIVISION.

36           6. PREPARE AN ANNUAL REPORT FOR THE STATE BOARD OF EDUCATION, WHICH  
37 SHALL FORWARD IT TO THE LEGISLATURE AND THE GOVERNOR, ON THE PROGRESS MADE  
38 TOWARD THE GOALS ESTABLISHED IN THIS ARTICLE AND PROVIDE COPIES TO THE  
39 SECRETARY OF STATE. PARTICIPATING SCHOOLS AND THE DEPARTMENT OF EDUCATION  
40 SHALL PROVIDE DATA TO THE PRIVATE ORGANIZATION AS NEEDED IN ORDER TO COMPLETE  
41 THE ANNUAL REPORT.

42           7. IDENTIFY, SELECT AND REPRESENT THIS STATE ON THE NATIONAL GOVERNING  
43 BODY OF AN INTERSTATE COMPACT ON BOARD EXAMINATION SYSTEMS, AS APPROVED BY  
44 THE STATE BOARD OF EDUCATION, TO ENABLE STATES TO COLLABORATE IN THE  
45 FOLLOWING AREAS:

1 (a) THE SELECTION OF BOARD EXAMINATION SYSTEMS FOR USE IN THOSE  
2 STATES.

3 (b) PROVIDING TECHNICAL ASSISTANCE REQUIRED TO IMPLEMENT THE BOARD  
4 EXAMINATION SYSTEMS EFFECTIVELY IN THOSE STATES FOR THE USE OF THOSE  
5 EXAMINATIONS.

6 (c) ENTERING INTO CONTRACTS WITH BOARD EXAMINATION SYSTEM PROVIDERS OR  
7 WITH A NATIONAL ORGANIZATION THAT IS DEVOTED TO ISSUES CONCERNING EDUCATION  
8 AND THE ECONOMY TO DEVELOP NEW OR IMPROVED BOARD EXAMINATION SYSTEMS.

9 8. SELECT THIS STATE'S REPRESENTATIVES IN AN INTERSTATE COMPACT ON  
10 BOARD EXAMINATION SYSTEMS IN ACCORDANCE WITH POLICIES PRESCRIBED BY THAT  
11 INTERSTATE COMPACT.

12 C. THE STATE BOARD OF EDUCATION SHALL ADOPT RULES TO CARRY OUT THE  
13 PURPOSES OF THIS SECTION AND SHALL SELECT COLLEGE AND CAREER READY  
14 EXAMINATIONS THAT ARE AVAILABLE TO PUPILS IN GRADE EIGHT, INCLUDING THOSE  
15 PUPILS WHO INTEND TO PARTICIPATE IN THE BOARD EXAMINATIONS SYSTEM IN HIGH  
16 SCHOOL. THE EXAMINATIONS SHALL BE SELECTED TO PROVIDE DATA TO PUPILS, THEIR  
17 FAMILIES AND SCHOOLS REGARDING THE PUPIL'S LEVEL OF PREPARATION FOR ENTRY  
18 INTO A COLLEGE AND CAREER READY PATHWAY IN HIGH SCHOOL.

19 D. PURSUANT TO RULES ADOPTED BY THE STATE BOARD OF EDUCATION, THE  
20 DEPARTMENT OF EDUCATION SHALL DEVELOP A SYSTEM TO TRACK THE ACADEMIC PROGRESS  
21 OF PUPILS WHO PARTICIPATE IN THE BOARD EXAMINATION SYSTEM.

22 E. ALL ACTIONS TAKEN PURSUANT TO THIS SECTION SHALL COMPLY WITH THE  
23 FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974 (P.L. 93-380), AS AMENDED.

24 15-792.03. Grand Canyon diploma

25 A. THE PRIVATE ORGANIZATION SELECTED PURSUANT TO SECTION 15-792.02  
26 SHALL DEVELOP THE GRAND CANYON DIPLOMA TO BE APPROVED AND ADOPTED BY THE  
27 STATE BOARD OF EDUCATION. SCHOOL DISTRICTS AND CHARTER SCHOOLS IN THIS STATE  
28 MAY CHOOSE TO OFFER A GRAND CANYON DIPLOMA BEGINNING IN THE 2012-2013 SCHOOL  
29 YEAR. A HIGH SCHOOL STUDENT WHO IS ENROLLED IN A SCHOOL DISTRICT OR CHARTER  
30 SCHOOL THAT OFFERS A GRAND CANYON DIPLOMA MAY CHOOSE TO PURSUE A GRAND CANYON  
31 DIPLOMA.

32 B. THE GRAND CANYON DIPLOMA MAY BE AWARDED AT THE END OF GRADE TEN OR  
33 DURING OR AT THE END OF GRADE ELEVEN OR TWELVE TO STUDENTS WHO MEET THE  
34 CRITERIA. STUDENTS WHO ELECT TO PURSUE A GRAND CANYON DIPLOMA SHALL  
35 PARTICIPATE IN A BOARD EXAMINATION SYSTEM THAT CONSISTS OF INTERNATIONALLY  
36 BENCHMARKED INSTRUCTIONAL PROGRAMS OF STUDY CHOSEN BY AN INTERSTATE COMPACT  
37 ON BOARD EXAMINATION SYSTEMS.

38 C. STUDENTS WHO EARN A GRAND CANYON DIPLOMA SHALL HAVE MULTIPLE  
39 PATHWAYS AVAILABLE TO THEM AND MAY:

40 1. ENROLL THE FOLLOWING FALL SEMESTER IN A COMMUNITY COLLEGE UNDER THE  
41 JURISDICTION OF A COMMUNITY COLLEGE DISTRICT IN THIS STATE. COMMUNITY  
42 COLLEGES UNDER THE JURISDICTION OF A COMMUNITY COLLEGE DISTRICT IN THIS STATE  
43 SHALL ADMIT STUDENTS WHO OBTAIN A GRAND CANYON DIPLOMA AND WHO OTHERWISE MEET  
44 THE QUALIFICATIONS FOR ADMISSION WITHOUT REQUIRING THOSE STUDENTS TO ENROLL  
45 IN REMEDIAL COURSES. THE SCHOOL DISTRICT OR CHARTER SCHOOL FROM WHICH THE

1 STUDENT EARNED THE GRAND CANYON DIPLOMA SHALL INCLUDE THAT STUDENT IN THE  
2 SCHOOL DISTRICT'S OR CHARTER SCHOOL'S STUDENT COUNT AND SHALL CONTINUE TO  
3 RECEIVE PER PUPIL FUNDING FOR A STUDENT WHO EARNS A GRAND CANYON DIPLOMA  
4 UNTIL THAT STUDENT WOULD OTHERWISE HAVE GRADUATED AT THE END OF GRADE TWELVE,  
5 AS LONG AS THAT STUDENT IS ENROLLED IN APPROVED POSTSECONDARY STUDIES AT THAT  
6 SCHOOL DISTRICT OR CHARTER SCHOOL. THE SCHOOL DISTRICT OR CHARTER SCHOOL  
7 SHALL REIMBURSE THE COMMUNITY COLLEGE DISTRICT FOR THE AMOUNT OF OPERATING  
8 FULL-TIME STUDENT EQUIVALENCY MONIES THAT THE COMMUNITY COLLEGE DISTRICT  
9 WOULD BE ENTITLED TO RECEIVE IF THE STUDENT WAS ENROLLED AS A FULL-TIME  
10 EQUIVALENT STUDENT IN A COMMUNITY COLLEGE DISTRICT. IF THE STUDENT ATTENDS  
11 COMMUNITY COLLEGE ON A COMMUNITY COLLEGE CAMPUS, THE SCHOOL DISTRICT OR  
12 CHARTER SCHOOL SHALL REIMBURSE THE COMMUNITY COLLEGE DISTRICT FOR THE AMOUNT  
13 OF OPERATING AND CAPITAL OUTLAY FULL-TIME STUDENT EQUIVALENCY MONIES. FOR  
14 THE PURPOSES OF THIS PARAGRAPH, THE AMOUNT OF OPERATING FULL-TIME STUDENT  
15 EQUIVALENCY MONIES SHALL BE EQUIVALENT TO THE AVERAGE APPROPRIATION PER  
16 FULL-TIME STUDENT EQUIVALENT FOR ALL COMMUNITY COLLEGE DISTRICTS AS  
17 CALCULATED PURSUANT TO SECTION 15-1466, SUBSECTION C, PARAGRAPH 2. FIFTY PER  
18 CENT OF THE REMAINING BALANCE OF THE PER PUPIL FUNDING SHALL BE USED FOR  
19 TEACHER AND PUPIL INCENTIVES, INCLUDING SCHOLARSHIP PROGRAMS AND FIFTY PER  
20 CENT SHALL BE USED FOR MAINTENANCE AND OPERATIONS, INCLUDING CAPITAL. THE  
21 REMAINING BALANCE OF THE PER PUPIL FUNDING FOR TEACHER AND PUPIL INCENTIVES,  
22 INCLUDING SCHOLARSHIP PROGRAMS, SHALL BE USED TO OFFSET THE COSTS OF BOARD  
23 EXAMINATIONS AND TO PROVIDE CUSTOMIZED PROGRAMS OF ASSISTANCE FOR STUDENTS  
24 WHO DO NOT PASS THE BOARD EXAMINATIONS. A STUDENT WHO EARNS A GRAND CANYON  
25 DIPLOMA MAY ENROLL IN COMMUNITY COLLEGE COURSES OFFERED ON A COMMUNITY  
26 COLLEGE CAMPUS OR A HIGH SCHOOL CAMPUS, OR BOTH. NOTWITHSTANDING ANY OTHER  
27 LAW, COMMUNITY COLLEGE DISTRICTS SHALL NOT CLASSIFY A STUDENT WHO REMAINS IN  
28 HIGH SCHOOL PURSUANT TO THIS PARAGRAPH AS A FULL-TIME EQUIVALENT STUDENT.  
29 STUDENTS WHO TAKE COURSES ON HIGH SCHOOL CAMPUSES PURSUANT TO THIS PARAGRAPH  
30 SHALL BE ELIGIBLE TO PARTICIPATE IN EXTRACURRICULAR ACTIVITIES, INCLUDING  
31 INTERSCHOLASTIC SPORTS, THROUGH THE END OF GRADE TWELVE. THE EXPENDITURE BY  
32 COMMUNITY COLLEGE DISTRICTS OF PAYMENTS FROM THE SCHOOL DISTRICT OR CHARTER  
33 SCHOOL TO THE COMMUNITY COLLEGES UNDER THIS SECTION SHALL NOT BE INCLUDED  
34 UNDER THE DISTRICT EXPENDITURE LIMITATION PRESCRIBED PURSUANT TO ARTICLE IX,  
35 SECTION 21, CONSTITUTION OF ARIZONA.

36 2. REMAIN IN HIGH SCHOOL AND ENROLL IN ADDITIONAL ADVANCED PREPARATION  
37 BOARD EXAMINATION PROGRAMS THAT ARE DESIGNED TO PREPARE THOSE STUDENTS FOR  
38 ADMISSION TO HIGH QUALITY POSTSECONDARY INSTITUTIONS THAT OFFER BACCALAUREATE  
39 DEGREE PROGRAMS. THESE BOARD EXAMINATION PROGRAMS SHALL BE SELECTED FROM A  
40 LIST APPROVED BY AN INTERSTATE COMPACT FOR BOARD EXAMINATION SYSTEMS. THE  
41 SCHOOL DISTRICT OR CHARTER SCHOOL FROM WHICH THE STUDENT EARNED THE GRAND  
42 CANYON DIPLOMA SHALL INCLUDE THAT STUDENT IN THE SCHOOL DISTRICT'S OR CHARTER  
43 SCHOOL'S STUDENT COUNT AND SHALL CONTINUE TO RECEIVE PER PUPIL FUNDING FOR A  
44 STUDENT WHO EARNS A GRAND CANYON DIPLOMA UNTIL THAT STUDENT WOULD OTHERWISE  
45 HAVE GRADUATED AT THE END OF GRADE TWELVE, AS LONG AS THAT STUDENT IS

1 ENROLLED IN APPROVED ADVANCED PREPARATION BOARD EXAMINATION PROGRAMS AT THAT  
2 SCHOOL DISTRICT OR CHARTER SCHOOL. STUDENTS WHO ELECT TO REMAIN IN HIGH  
3 SCHOOL PURSUANT TO THIS PARAGRAPH SHALL BE ELIGIBLE TO PARTICIPATE IN  
4 EXTRACURRICULAR ACTIVITIES, INCLUDING INTERSCHOLASTIC SPORTS, THROUGH THE END  
5 OF GRADE TWELVE.

6 3. ENROLL IN A FULL-TIME CAREER AND TECHNICAL EDUCATION PROGRAM  
7 OFFERED ON A COMMUNITY COLLEGE CAMPUS, A HIGH SCHOOL CAMPUS OR A JOINT  
8 TECHNICAL EDUCATION DISTRICT CAMPUS, OR ANY COMBINATION OF THESE  
9 CAMPUSES. STUDENTS WHO ELECT TO REMAIN IN HIGH SCHOOL PURSUANT TO THIS  
10 PARAGRAPH SHALL BE ELIGIBLE TO PARTICIPATE IN EXTRACURRICULAR ACTIVITIES,  
11 INCLUDING INTERSCHOLASTIC SPORTS, THROUGH THE END OF GRADE TWELVE. THE  
12 SCHOOL DISTRICT OR CHARTER SCHOOL FROM WHICH THE STUDENT EARNED THE GRAND  
13 CANYON DIPLOMA SHALL INCLUDE THAT STUDENT IN THE SCHOOL DISTRICT'S OR CHARTER  
14 SCHOOL'S STUDENT COUNT AND SHALL CONTINUE TO RECEIVE PER PUPIL FUNDING FOR A  
15 STUDENT WHO EARNS A GRAND CANYON DIPLOMA UNTIL THAT STUDENT WOULD OTHERWISE  
16 HAVE GRADUATED AT THE END OF GRADE TWELVE, AS LONG AS THAT STUDENT IS  
17 ENROLLED IN AN APPROVED FULL-TIME CAREER AND TECHNICAL EDUCATION PROGRAM.  
18 NOTWITHSTANDING ANY OTHER LAW, IF THE INSTRUCTION PROVIDED UNDER THIS  
19 PARAGRAPH IS PROVIDED BY A JOINT TECHNICAL EDUCATION DISTRICT, THE AVERAGE  
20 DAILY MEMBERSHIP FOR THAT PUPIL SHALL BE 1.25.

21 4. RETURN TO A TRADITIONAL ACADEMIC PROGRAM WITHOUT COMPLETING THE  
22 NEXT LEVEL OF BOARD EXAMINATION SYSTEMS CURRICULUM.

23 D. STUDENTS WHO PURSUE BUT DO NOT EARN A GRAND CANYON DIPLOMA AT THE  
24 END OF GRADE TEN OR ELEVEN SHALL RECEIVE A CUSTOMIZED PROGRAM OF ASSISTANCE  
25 DURING THE NEXT SCHOOL YEAR THAT ADDRESSES AREAS IN WHICH THE STUDENT  
26 DEMONSTRATED DEFICIENCIES IN THE APPROVED BOARD EXAMINATIONS. THESE STUDENTS  
27 MAY RETAKE THE BOARD EXAMINATIONS AT THE NEXT AVAILABLE EXAMINATION  
28 ADMINISTRATION. STUDENTS MAY CHOOSE TO RETURN TO A TRADITIONAL ACADEMIC  
29 PROGRAM WITHOUT COMPLETING THE BOARD EXAMINATION SYSTEM CURRICULUM.

30 E. THE PRIVATE ORGANIZATION SELECTED PURSUANT TO SECTION 15-792.02  
31 SHALL DEVELOP DETAILED REQUIREMENTS FOR STUDENTS TO EARN THE GRAND CANYON  
32 DIPLOMA, AS APPROVED AND ADOPTED BY THE STATE BOARD OF EDUCATION, THAT  
33 INCLUDE AT LEAST THE FOLLOWING:

34 1. DEMONSTRATED SKILLS AND KNOWLEDGE IN ENGLISH AND MATHEMATICAL  
35 LITERACY TO BE SUCCESSFUL IN COLLEGE LEVEL COURSES OFFERED BY THE COMMUNITY  
36 COLLEGES IN THIS STATE THAT COUNT TOWARD A DEGREE OR CERTIFICATE WITHOUT  
37 TAKING REMEDIAL OR DEVELOPMENTAL COURSEWORK AS DETERMINED BY AN INTERSTATE  
38 COMPACT ON BOARD EXAMINATION SYSTEMS.

39 2. SATISFACTORY GRADES ON APPROVED BOARD EXAMINATIONS IN SUBJECTS  
40 DETERMINED TO BE NECESSARY TO PREPARE A STUDENT TO ENTER COMMUNITY COLLEGE  
41 WITHOUT REMEDIAL OR DEVELOPMENTAL COURSEWORK AND THAT DO NOT INCLUDE  
42 COURSEWORK REQUIRED EXCLUSIVELY FOR ENTRY INTO AN INSTITUTION THAT AWARDS  
43 BACCALAUREATE DEGREES.

1 F. A STUDENT WHO OBTAINS A GRAND CANYON DIPLOMA PURSUANT TO THIS  
2 SECTION IS NOT ELIGIBLE TO PARTICIPATE IN THE EARLY GRADUATION SCHOLARSHIP  
3 PROGRAM ESTABLISHED BY SECTION 15-105 IF THE STUDENT ELECTS TO PURSUE ONE OF  
4 THE PATHWAYS PRESCRIBED IN SUBSECTION C, PARAGRAPH 1, 2 OR 3 OF THIS SECTION.  
5 THE DEPARTMENT OF EDUCATION SHALL NOT TRANSMIT ANY MONIES TO THE COMMISSION  
6 FOR POSTSECONDARY EDUCATION PURSUANT TO SECTION 15-105, SUBSECTION F ON  
7 BEHALF OF ANY STUDENT WHO OBTAINS A GRAND CANYON DIPLOMA PURSUANT TO THIS  
8 SECTION IF THE STUDENT ELECTS TO PURSUE ONE OF THE PATHWAYS PRESCRIBED IN  
9 SUBSECTION C, PARAGRAPH 1, 2 OR 3 OF THIS SECTION.

10 Sec. 7. Repeal

11 Laws 2009, third special session, chapter 12, section 70 is repealed.