

REFERENCE TITLE: schools; administrative tasks; reduction

State of Arizona
Senate
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2011

SB 1263

Introduced by
Senators Crandall, Driggs; Representative Court: Senators Barto,
Bundgaard, McComish, Nelson, Yarbrough

AN ACT

AMENDING SECTIONS 13-3311 AND 15-101, ARIZONA REVISED STATUTES; REPEALING SECTION 15-108, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-182 AND 15-183, ARIZONA REVISED STATUTES; AMENDING SECTION 15-185, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 8, SECTION 1 AND LAWS 2010, SECOND REGULAR SESSION, CHAPTER 17, SECTION 2, CHAPTER 306, SECTION 1, CHAPTER 332, SECTION 4 AND CHAPTER 333, SECTION 2; REPEALING SECTION 15-185, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 1; AMENDING SECTIONS 15-187, 15-213, 15-304, 15-341 AND 15-341.01, ARIZONA REVISED STATUTES; AMENDING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 9; AMENDING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 10; REPEALING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 117, SECTION 6; AMENDING SECTIONS 15-491, 15-756.02, 15-756.10, 15-914, 15-991, 15-2031, 41-4604 AND 43-1089.01, ARIZONA REVISED STATUTES; BLENDING MULTIPLE ENACTMENTS; RELATING TO THE ADMINISTRATION OF SCHOOL DISTRICTS AND CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 13-3311, Arizona Revised Statutes, is amended to
3 read:
4 13-3311. Amusement gambling intellectual contests or events;
5 registration; filing of rules; sworn statement;
6 exceptions
7 A. Before any person conducts an amusement gambling intellectual
8 contest or event pursuant to section 13-3301, paragraph 1, subdivision (d),
9 item (iii), the person shall register with the attorney general's
10 office. The registration shall include:
11 1. The name and address of the person conducting the contest or event.
12 2. The minimum dollar amount of all prizes to be awarded.
13 3. The duration of the event.
14 4. The statutory agent or person authorized to accept service of
15 process in Arizona for the person conducting the contest or event.
16 5. All rules governing the contest or event, including the rules
17 applicable in case of a tie.
18 6. The name and description of the product and the established
19 purchase price for the product.
20 B. Within ten days following the award of all prizes in connection
21 with an amusement gambling intellectual contest or event, the person
22 conducting the contest or event shall file with the attorney general's office
23 the names and addresses of all persons who have won prizes in connection with
24 the contest or event.
25 C. For each amusement gambling intellectual contest or event held, the
26 person conducting the event shall file with the attorney general's office a
27 sworn statement under oath that no increment has been added to the
28 established purchase price for the product in connection with the gambling
29 event.
30 D. This section does not apply to organizations that have qualified
31 for an exemption from taxation of income under section 43-1201, paragraph 1,
32 2, 4, 5, 6, 7, 10 or 11 OR TO ACADEMIC COMPETITIONS CONDUCTED BY SCHOOL
33 DISTRICTS OR CHARTER SCHOOLS THAT AWARD CASH, PRIZES OR SCHOLARSHIPS TO
34 PARTICIPANTS.
35 Sec. 2. Section 15-101, Arizona Revised Statutes, is amended to read:
36 15-101. Definitions
37 In this title, unless the context otherwise requires:
38 1. "Accommodation school" means either:
39 (a) A school ~~which~~ THAT is operated through the county board of
40 supervisors and the county school superintendent and ~~which~~ THAT the county
41 school superintendent administers to serve a military reservation or
42 territory ~~which~~ THAT is not included within the boundaries of a school
43 district.

1 (b) A school that provides educational services to homeless children
2 or alternative education programs as provided in section 15-308,
3 subsection B.

4 (c) A school that is established to serve a military reservation, the
5 boundaries of which are coterminous with the boundaries of the military
6 reservation on which the school is located.

7 2. "Assessed valuation" means the valuation derived by applying the
8 applicable percentage as provided in title 42, chapter 15, article 1 to the
9 full cash value or limited property value, whichever is applicable, of the
10 property.

11 3. "Charter holder" means a person that enters into a charter with the
12 state board for charter schools. For the purposes of this paragraph,
13 "person" means an individual, partnership, corporation, association or public
14 or private organization of any kind.

15 4. "Charter school" means a public school established by contract with
16 a district governing board, the state board of education, ~~or~~ the state board
17 for charter schools, [A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD](#)
18 [OF REGENTS, A COMMUNITY COLLEGE DISTRICT WITH ENROLLMENT OF MORE THAN FIFTEEN](#)
19 [THOUSAND FULL-TIME EQUIVALENT STUDENTS OR A GROUP OF COMMUNITY COLLEGE](#)
20 [DISTRICTS WITH A COMBINED ENROLLMENT OF MORE THAN FIFTEEN THOUSAND FULL-TIME](#)
21 [EQUIVALENT STUDENTS](#) pursuant to article 8 of this chapter to provide learning
22 that will improve pupil achievement.

23 5. "Child with a disability" means a child with a disability as
24 defined in section 15-761.

25 6. "Class A bonds" means general obligation bonds approved by a vote
26 of the qualified electors of a school district at an election held on or
27 before December 31, 1998.

28 7. "Class B bonds" means general obligation bonds approved by a vote
29 of the qualified electors of a school district at an election held from and
30 after December 31, 1998.

31 8. "Competency" means a demonstrated ability in a skill at a specified
32 performance level.

33 9. "Course" means organized subject matter in which instruction is
34 offered within a given period of time and for which credit toward promotion,
35 graduation or certification is usually given. A course consists of knowledge
36 selected from a subject for instructional purposes in the schools.

37 10. "Course of study" means a list of required and optional subjects to
38 be taught in the schools.

39 11. "Dual enrollment course" means a college level course that is
40 conducted on the campus of a high school or on the campus of a joint
41 technical education district, that is applicable to an established community
42 college academic degree or certificate program and that is transferable to a
43 university under the jurisdiction of the Arizona board of regents. A dual
44 enrollment course that is applicable to a community college occupational

1 degree or certificate program may be transferable to a university under the
2 jurisdiction of the Arizona board of regents.

3 12. "Fiscal year" means the year beginning July 1 and ending June 30.

4 13. "Governing board" means a body organized for the government and
5 management of the schools within a school district or a county school
6 superintendent in the conduct of an accommodation school.

7 14. "Lease" means an agreement for conveyance and possession of real or
8 personal property.

9 15. "Limited property value" means the value determined pursuant to
10 title 42, chapter 13, article 7. Limited property value shall be used as the
11 basis for assessing, fixing, determining and levying primary property taxes.

12 16. "Parent" means the natural or adoptive parent of a child or a
13 person who has custody of a child.

14 17. "Person who has custody" means a parent or legal guardian of a
15 child, a person to whom custody of the child has been given by order of a
16 court or a person who stands in loco parentis to the child.

17 18. "Primary property taxes" means all ad valorem taxes except for
18 secondary property taxes.

19 19. "Private school" means a nonpublic institution where instruction is
20 imparted.

21 20. "School" means any public institution established for the purposes
22 of offering instruction to pupils in programs for preschool children with
23 disabilities, kindergarten programs or any combination of grades one through
24 twelve.

25 21. "School district" means a political subdivision of this state with
26 geographic boundaries organized for the purpose of the administration,
27 support and maintenance of the public schools or an accommodation school.

28 22. "Secondary property taxes" means ad valorem taxes used to pay the
29 principal of and the interest and redemption charges on any bonded
30 indebtedness or other lawful long-term obligation issued or incurred for a
31 specific purpose by a school district or a community college district and
32 amounts levied pursuant to an election to exceed a budget, expenditure or tax
33 limitation.

34 23. "Subject" means a division or field of organized knowledge, such as
35 English or mathematics, or a selection from an organized body of knowledge
36 for a course or teaching unit, such as the English novel or elementary
37 algebra.

38 Sec. 3. Repeal

39 Section 15-108, Arizona Revised Statutes, is repealed.

40 Sec. 4. Section 15-182, Arizona Revised Statutes, is amended to read:

41 15-182. State board for charter schools; membership; terms;
42 compensation; duties

43 A. The state board for charter schools is established consisting of
44 the following members:

1 1. The superintendent of public instruction or the superintendent's
2 designee.

3 2. Six members of the general public, at least two of whom shall
4 reside in a school district where at least sixty per cent of the children who
5 attend school in the district meet the eligibility requirements established
6 under the national school lunch and child nutrition acts (42 United States
7 Code sections 1751 through 1785) for free lunches, and at least one of whom
8 shall reside on an Indian reservation, who are appointed by the governor
9 pursuant to section 38-211.

10 3. Two members of the business community who are appointed by the
11 governor pursuant to section 38-211.

12 4. A teacher who provides classroom instruction at a charter school
13 and who is appointed by the governor pursuant to section 38-211.

14 5. An operator of a charter school who is appointed by the governor
15 pursuant to section 38-211.

16 6. Three members of the legislature who shall serve as advisory
17 members and who are appointed jointly by the president of the senate and the
18 speaker of the house of representatives.

19 B. The superintendent of public instruction shall serve a term on the
20 state board for charter schools that runs concurrently with the
21 superintendent's term of office. The members appointed pursuant to
22 subsection A, paragraph 6 of this section shall serve two year terms on the
23 state board for charter schools that begin and end on the third Monday in
24 January and that run concurrently with their respective terms of office.
25 Members appointed pursuant to subsection A, paragraphs 2, 3, 4 and 5 of this
26 section shall serve staggered four year terms that begin and end on the third
27 Monday in January.

28 C. The state board for charter schools shall annually elect a
29 president and such other officers as it deems necessary from among its
30 membership.

31 D. Members of the state board for charter schools are not eligible to
32 receive compensation but are eligible for reimbursement of expenses pursuant
33 to title 38, chapter 4, article 2.

34 E. The state board for charter schools shall:

35 1. Exercise general supervision over charter schools sponsored by the
36 board and recommend legislation pertaining to charter schools to the
37 legislature.

38 2. Grant charter status to qualifying applicants for charter schools
39 pursuant to section 15-183.

40 3. Adopt and use an official seal in the authentication of its acts.

41 4. Keep a record of its proceedings.

42 5. Adopt rules for its own government.

43 6. Determine the policy of the board and the work undertaken by it.

44 7. Delegate to the superintendent of public instruction the execution
45 of board policies.

1 8. Prepare a budget for expenditures necessary for the proper
2 maintenance of the board and the accomplishment of its purpose.

3 F. The state board for charter schools may:

4 1. Contract.

5 2. Sue and be sued.

6 3. Use the services of the auditor general.

7 G. THE STATE BOARD FOR CHARTER SCHOOLS MAY ACCEPT GIFTS OR GRANTS OF
8 MONIES OR REAL OR PERSONAL PROPERTY FROM PUBLIC AND PRIVATE ORGANIZATIONS, IF
9 THE PURPOSE OF THE GIFT OR GRANT SPECIFIED BY THE DONOR IS APPROVED BY THE
10 BOARD AND IS WITHIN THE SCOPE OF THE BOARD'S POWERS AND DUTIES. EACH CHARTER
11 SCHOOL SHALL ESTABLISH A GIFT AND GRANT FUND FOR THE DEPOSIT OF MONIES
12 RECEIVED PURSUANT TO THIS SUBSECTION.

13 Sec. 5. Section 15-183, Arizona Revised Statutes, is amended to read:

14 15-183. Charter schools; application; requirements; immunity;
15 exemptions; renewal of application; reprisal; fee;
16 fund

17 A. An applicant seeking to establish a charter school shall submit a
18 written application to a proposed sponsor as prescribed in subsection C of
19 this section. The application shall include a detailed business plan for the
20 charter school and may include a mission statement for the charter school, a
21 description of the charter school's organizational structure and the
22 governing body, a financial plan for the first three years of operation of
23 the charter school, a description of the charter school's hiring policy, the
24 name of the charter school's applicant or applicants and requested sponsor, a
25 description of the charter school's facility and the location of the school,
26 a description of the grades being served and an outline of criteria designed
27 to measure the effectiveness of the school.

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

31 C. The sponsor of a charter school may be either a school district
32 governing board, the state board of education, the state board for charter
33 schools, a university under the jurisdiction of the Arizona board of regents,
34 a community college district with enrollment of more than fifteen thousand
35 full-time equivalent students or a group of community college districts with
36 a combined enrollment of more than fifteen thousand full-time equivalent
37 students, subject to the following requirements:

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

40 (a) An applicant for a charter school may submit its application to a
41 school district governing board, which shall either accept or reject
42 sponsorship of the charter school within ninety days. An applicant may
43 submit a revised application for reconsideration by the governing board. If
44 the governing board rejects the application, the governing board shall notify
45 the applicant in writing of the reasons for the rejection. The applicant may

1 request, and the governing board may provide, technical assistance to improve
2 the application.

3 (b) In the first year that a school district is determined to be out
4 of compliance with the uniform system of financial records, within fifteen
5 days of the determination of noncompliance, the school district shall notify
6 by certified mail each charter school sponsored by the school district that
7 the school district is out of compliance with the uniform system of financial
8 records. The notification shall include a statement that if the school
9 district is determined to be out of compliance for a second consecutive year,
10 the charter school will be required to transfer sponsorship to another entity
11 pursuant to subdivision (c) of this paragraph.

12 (c) In the second consecutive year that a school district is
13 determined to be out of compliance with the uniform system of financial
14 records, within fifteen days of the determination of noncompliance, the
15 school district shall notify by certified mail each charter school sponsored
16 by the school district that the school district is out of compliance with the
17 uniform system of financial records. A charter school that receives a
18 notification of school district noncompliance pursuant to this subdivision
19 shall file a written sponsorship transfer application within forty-five days
20 with the state board of education, the state board for charter schools or the
21 school district governing board if the charter school is located within the
22 geographic boundaries of that school district. A charter school that
23 receives a notification of school district noncompliance may request an
24 extension of time to file a sponsorship transfer application, and the state
25 board of education, the state board for charter schools or a school district
26 governing board may grant an extension of not more than an additional thirty
27 days if good cause exists for the extension. The state board of education
28 and the state board for charter schools shall approve a sponsorship transfer
29 application pursuant to this paragraph.

30 (d) A school district governing board shall not grant a charter to a
31 charter school that is located outside the geographic boundaries of that
32 school district.

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

36 2. The applicant may submit the application to the state board of
37 education or the state board for charter schools. The state board of
38 education or the state board for charter schools may approve the application
39 if the application meets the requirements of this article and may approve the
40 charter if the proposed sponsor determines, within its sole discretion, that
41 the applicant is sufficiently qualified to operate a charter school and that
42 the applicant is applying to operate as a separate charter holder by
43 considering factors such as whether:

44 (a) The schools have separate governing bodies, governing body
45 membership, staff, facilities, and student population.

1 (b) Daily operations are carried out by different administrators.
2 (c) The applicant intends to have an affiliation agreement for the
3 purpose of providing enrollment preferences.
4 (d) The applicant's charter management organization has multiple
5 charter holders serving varied grade configurations on one physical site or
6 nearby sites serving one community.
7 (e) It is reconstituting an existing school site population at the
8 same or new site.
9 (f) It is reconstituting an existing grade configuration from a prior
10 charter holder with at least one grade remaining on the original site with
11 the other grade or grades moving to a new site.
12 The state board of education or the state board for charter schools may
13 approve any charter schools transferring charters. The state board of
14 education and the state board for charter schools shall approve any charter
15 schools transferring charters from a school district that is determined to be
16 out of compliance with the uniform system of financial records pursuant to
17 this section, but may require the charter school to sign a new charter that
18 is equivalent to the charter awarded by the former sponsor. If the state
19 board of education or the state board for charter schools rejects the
20 preliminary application, the state board of education or the state board for
21 charter schools shall notify the applicant in writing of the reasons for the
22 rejection and of suggestions for improving the application. An applicant may
23 submit a revised application for reconsideration by the state board of
24 education or the state board for charter schools. The applicant may request,
25 and the state board of education or the state board for charter schools may
26 provide, technical assistance to improve the application.
27 3. The applicant may submit the application to a university under the
28 jurisdiction of the Arizona board of regents, a community college district or
29 a group of community college districts. A university, a community college
30 district or a group of community college districts may approve the
31 application if it meets the requirements of this article and if the proposed
32 sponsor determines, in its sole discretion, that the applicant is
33 sufficiently qualified to operate a charter school.
34 4. Each applicant seeking to establish a charter school shall ~~submit a~~
35 ~~full set of fingerprints to the approving agency for the purpose of obtaining~~
36 ~~a state and federal criminal records check pursuant to section 41-1750 and~~
37 ~~Public Law 92-544. If an applicant will have direct contact with students,~~
38 ~~the applicant shall~~ possess a valid fingerprint clearance card that is issued
39 pursuant to title 41, chapter 12, article 3.1. The department of public
40 safety may exchange this fingerprint data with the federal bureau of
41 investigation. ~~The criminal records check shall be completed before the~~
42 ~~issuance of a charter.~~ EACH APPLICANT SHALL ALSO SUBMIT THE SOCIAL SECURITY
43 NUMBER OF EACH INDIVIDUAL, OFFICER, MEMBER, DIRECTOR AND PARTNER OF THE
44 APPLICANT FOR THE PURPOSE OF CONDUCTING A BACKGROUND CHECK FOR USE BY THE

1 SPONSOR IN DETERMINING WHETHER THE APPLICANT IS SUFFICIENTLY QUALIFIED TO
2 OPERATE A CHARTER SCHOOL.

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

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

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

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

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

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

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

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

44 7. If a charter school operator is not already subject to a public
45 meeting or hearing by the municipality in which the charter school is

1 located, the operator of a charter school shall conduct a public meeting at
2 least thirty days before the charter school operator opens a site or sites
3 for the charter school. The charter school operator shall post notices of
4 the public meeting in at least three different locations that are within
5 three hundred feet of the proposed charter school site.

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

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

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

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

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

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

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

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

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

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

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

40 4. That it designs a method to measure pupil progress toward the pupil
41 outcomes adopted by the state board of education pursuant to section
42 15-741.01, including participation in the Arizona instrument to measure
43 standards test and the nationally standardized norm-referenced achievement
44 test as designated by the state board and the completion and distribution of
45 an annual report card as prescribed in chapter 7, article 3 of this title.

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

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

18 7. Compliance with all federal and state laws relating to the
19 education of children with disabilities in the same manner as a school
20 district.

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

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

32 F. The charter of a charter school shall include a description of the
33 charter school's personnel policies, personnel qualifications and method of
34 school governance and the specific role and duties of the sponsor of the
35 charter school. A charter school shall keep on file the resumes of all
36 current and former employees who provide instruction to pupils at the charter
37 school. Resumes shall include an individual's educational and teaching
38 background and experience in a particular academic content subject area. A
39 charter school shall inform parents and guardians of the availability of the
40 resume information and shall make the resume information available for
41 inspection on request of parents and guardians of pupils enrolled at the
42 charter school. Nothing in this subsection shall be construed to require any
43 charter school to release personally identifiable information in relation to
44 any teacher or employee, including the teacher's or employee's address,
45 salary, social security number or telephone number.

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

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

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

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

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

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

1 of the charter. The final determination of whether to revoke the charter
2 shall be made at a public hearing called for such purpose.

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

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

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

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

25 (a) Disciplinary or corrective action.

26 (b) Detail, transfer or reassignment.

27 (c) Suspension, demotion or dismissal.

28 (d) An unfavorable performance evaluation.

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

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

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

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

36 (a) Suspension or termination of the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 W. Notwithstanding subsection X of this section, the state board for
7 charter schools shall charge a processing fee to any charter school that
8 amends ~~their~~ ITS contract to participate in ~~the~~ Arizona online instruction
9 ~~program~~ pursuant to section 15-808. The charter Arizona online instruction
10 processing fund is established consisting of fees collected and administered
11 by the state board for charter schools. The state board for charter schools
12 shall use monies in the fund only for the processing of contract amendments
13 for charter schools participating in Arizona online instruction ~~programs~~.
14 Monies in the fund are continuously appropriated.

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

20 Y. Charter schools may enter into an intergovernmental agreement with
21 a presiding judge of the juvenile court to implement a law related education
22 program as defined in section 15-154. The presiding judge of the juvenile
23 court may assign juvenile probation officers to participate in a law related
24 education program in any charter school in the county. The cost of juvenile
25 probation officers who participate in the program implemented pursuant to
26 this subsection shall be funded by the charter school.

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

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

35 Sec. 6. Section 15-185, Arizona Revised Statutes, as amended by Laws
36 2010, seventh special session, chapter 8, section 1 and Laws 2010, second
37 regular session, chapter 17, section 2, chapter 306, section 1, chapter 332,
38 section 4 and chapter 333, section 2, is amended to read:

39 15-185. Charter schools; financing; civil penalty;
40 transportation; definitions

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

43 1. The charter school shall be included in the district's budget and
44 financial assistance calculations pursuant to paragraph 3 of this subsection
45 and chapter 9 of this title, except for chapter 9, article 4 of this title.

1 The charter of the charter school shall include a description of the methods
2 of funding the charter school by the school district. The school district
3 shall send a copy of the charter and application, including a description of
4 how the school district plans to fund the school, to the state board of
5 education before the start of the first fiscal year of operation of the
6 charter school. The charter or application shall include an estimate of the
7 student count for the charter school for its first fiscal year of operation.
8 This estimate shall be computed pursuant to the requirements of paragraph 3
9 of this subsection.

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

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

16 (a) Increase its student count as provided in subsection B, paragraph
17 2 of this section during the first year of the charter school's operation to
18 include those charter school pupils who were not previously enrolled in the
19 school district. A charter school sponsored by a school district governing
20 board is eligible for the assistance prescribed in subsection B, paragraph 4
21 of this section. The soft capital allocation as provided in section 15-962
22 for the school district sponsoring the charter school shall be increased by
23 the amount of the additional assistance. The school district shall include
24 the full amount of the additional assistance in the funding provided to the
25 charter school.

26 (b) Compute separate weighted student counts pursuant to section
27 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
28 school pupils in order to maintain eligibility for small school district
29 support level weights authorized in section 15-943, paragraph 1 for its
30 noncharter school pupils only. The portion of a district's student count
31 that is attributable to charter school pupils is not eligible for small
32 school district support level weights.

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

37 5. A school district that sponsors a charter school is not eligible to
38 include the charter school pupils in its student count for the purpose of
39 computing an increase in its capital outlay revenue limit as provided in
40 section 15-961, subsection C, except that if the charter school was
41 previously a school in the district, the district may include in its student
42 count any charter school pupils who were enrolled in the school district in
43 the prior year.

44 6. A school district that sponsors a charter school is not eligible to
45 include the charter school pupils in its student count for the purpose of

1 computing the revenue control limit which is used to determine the maximum
2 budget increase as provided in chapter 4, article 4 of this title unless the
3 charter school is located within the boundaries of the school district.

4 7. If a school district converts one or more of its district public
5 schools to a charter school and receives assistance as prescribed in
6 subsection B, paragraph 4 of this section, and subsequently converts the
7 charter school back to a district public school, the school district shall
8 repay the state the total additional assistance received for the charter
9 school for all years that the charter school was in operation. The repayment
10 shall be in one lump sum and shall be reduced from the school district's
11 current year equalization assistance. The school district's general budget
12 limit shall be reduced by the same lump sum amount in the current year.

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

17 1. The charter school shall calculate a base support level as
18 prescribed in section 15-943, except that section 15-941 does not apply to
19 these charter schools.

20 2. Notwithstanding paragraph 1 of this subsection, the student count
21 shall be determined initially using an estimated student count based on
22 actual registration of pupils before the beginning of the school year. After
23 the first one hundred days or two hundred days in session, as applicable, the
24 charter school shall revise the student count to be equal to the actual
25 average daily membership, as defined in section 15-901, ~~or the adjusted~~
26 ~~average daily membership, as prescribed in section 15-902,~~ of the charter
27 school. ~~A charter school that provides two hundred days of instruction may~~
28 ~~use section 15-902.02 for the purposes of this section.~~ Before the one
29 hundredth day or two hundredth day in session, as applicable, the state board
30 of education, the state board for charter schools, the sponsoring university,
31 the sponsoring community college district or the sponsoring group of
32 community college districts may require a charter school to report
33 periodically regarding pupil enrollment and attendance, and the department of
34 education may revise its computation of equalization assistance based on the
35 report. A charter school shall revise its student count, base support level
36 and additional assistance before May 15. A charter school that overestimated
37 its student count shall revise its budget before May 15. A charter school
38 that underestimated its student count may revise its budget before May 15.

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

43 4. Equalization assistance for the charter school shall be determined
44 by adding the amount of the base support level and additional assistance.
45 The amount of the additional assistance is one thousand six hundred seven

1 dollars fifty cents per student count in kindergarten programs and grades one
2 through eight and one thousand eight hundred seventy-three dollars fifty-two
3 cents per student count in grades nine through twelve.

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

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

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

19 C. If a pupil is enrolled in both a charter school and a public school
20 that is not a charter school, the sum of the daily membership, which includes
21 enrollment as prescribed in section 15-901, subsection A, paragraph ~~2~~ 1,
22 subdivisions (a) and (b) and daily attendance as prescribed in section
23 15-901, subsection A, paragraph ~~6~~ 5, for that pupil in the school district
24 and the charter school shall not exceed 1.0, except that if the pupil is
25 enrolled in both a charter school and a joint technical education district
26 and resides within the boundaries of a school district participating in the
27 joint technical education district, the sum of the average daily membership
28 for that pupil in the charter school and the joint technical education
29 district shall not exceed 1.25. If a pupil is enrolled in both a charter
30 school and a public school that is not a charter school, the department of
31 education shall direct the average daily membership to the school with the
32 most recent enrollment date. Upon validation of actual enrollment in both a
33 charter school and a public school that is not a charter school and if the
34 sum of the daily membership or daily attendance for that pupil is greater
35 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
36 the public school and the charter school based on the percentage of total
37 time that the pupil is enrolled or in attendance in the public school and the
38 charter school, except that if the pupil is enrolled in both a charter school
39 and a joint technical education district and resides within the boundaries of
40 a school district participating in the joint technical education district,
41 the sum of the average daily membership for that pupil in the charter school
42 and the joint technical education district shall be reduced to 1.25 and shall
43 be apportioned between the charter school and the joint technical education
44 district based on the percentage of total time that the pupil is enrolled or
45 in attendance in the charter school and the joint technical education

1 district. The uniform system of financial records shall include guidelines
2 for the apportionment of the pupil enrollment and attendance as provided in
3 this section.

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

16 1. Equalization assistance shall not be less than zero.

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

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

25 E. If a charter school was a district public school in the prior year
26 and is now being operated for or by the same school district and sponsored by
27 the state board of education, the state board for charter schools, a
28 university, a community college district, a group of community college
29 districts or a school district governing board, the reduction in subsection D
30 of this section applies. The reduction to the base support level of the
31 charter school or the sponsoring district of the charter school shall equal
32 the sum of the base support level and the additional assistance received in
33 the current year for those pupils who were enrolled in the traditional public
34 school in the prior year and are now enrolled in the charter school in the
35 current year.

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

39 G. At the request of a charter school, the county school
40 superintendent of the county where the charter school is located may provide
41 the same educational services to the charter school as prescribed in section
42 15-308, subsection A. The county school superintendent may charge a fee to
43 recover costs for providing educational services to charter schools.

44 H. If the sponsor of the charter school determines at a public meeting
45 that the charter school is not in compliance with federal law, with the laws

1 of this state or with its charter, the sponsor of a charter school may submit
2 a request to the department of education to withhold up to ten per cent of
3 the monthly apportionment of state aid that would otherwise be due the
4 charter school. The department of education shall adjust the charter
5 school's apportionment accordingly. The sponsor shall provide written notice
6 to the charter school at least seventy-two hours before the meeting and shall
7 allow the charter school to respond to the allegations of noncompliance at
8 the meeting before the sponsor makes a final determination to notify the
9 department of education of noncompliance. The charter school shall submit a
10 corrective action plan to the sponsor on a date specified by the sponsor at
11 the meeting. The corrective action plan shall be designed to correct
12 deficiencies at the charter school and to ensure that the charter school
13 promptly returns to compliance. When the sponsor determines that the charter
14 school is in compliance, the department of education shall restore the full
15 amount of state aid payments to the charter school.

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

36 J. A charter school may receive and spend monies distributed by the
37 department of education pursuant to section 42-5029, subsection E and section
38 37-521, subsection B.

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

1 within the school district to the campus of the Arizona state schools for the
2 deaf and the blind.

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

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

17 N. The governing body of a charter school may contract with the
18 private organization that is approved by the state board of education
19 pursuant to section 15-792.02 to provide approved board examination systems
20 for the charter school.

21 O. IF PERMITTED BY FEDERAL LAW, A CHARTER SCHOOL MAY OPT OUT OF
22 FEDERAL GRANT OPPORTUNITIES IF THE CHARTER HOLDER OR THE APPROPRIATE
23 GOVERNING BODY OF THE CHARTER SCHOOL DETERMINES THAT THE FEDERAL REQUIREMENTS
24 IMPOSE UNDULY BURDENSOME REPORTING REQUIREMENTS.

25 ~~0-~~ P. For the purposes of this section:

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

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

38 Sec. 7. Repeal

39 Section 15-185, Arizona Revised Statutes, as amended by Laws 2010,
40 chapter 318, section 1, is repealed.

41 Sec. 8. Section 15-187, Arizona Revised Statutes, is amended to read:

42 15-187. Charter schools; teachers; employment benefits

43 A. A teacher who is employed by or teaching at a charter school and
44 who was previously employed as a teacher at a school district shall not lose
45 any right of certification, retirement or salary status or any other benefit

1 provided by law, by the rules of the governing board of the school district
2 or by the rules of the board of directors of the charter school due to
3 teaching at a charter school on the teacher's return to the school district.

4 B. A teacher who is employed by or teaching at a charter school and
5 who submits an employment application to the school district where the
6 teacher was employed immediately before employment by or at a charter school
7 shall be given employment preference by the school district if both of the
8 following conditions are met:

9 1. The teacher submits an employment application to the school
10 district no later than three years after ceasing employment with the school
11 district.

12 2. A suitable position is available at the school district.

13 C. A charter school that is sponsored by a school district governing
14 board, the state board of education or the state board for charter schools is
15 eligible to participate in the Arizona state retirement system pursuant to
16 title 38, chapter 5, article 2. The charter school is a political
17 subdivision of this state for purposes of title 38, chapter 5, article 2. **IF**
18 **PERMITTED BY THE AGREEMENT BETWEEN THE CHARTER SCHOOL AND THE ARIZONA STATE**
19 **RETIREMENT SYSTEM, A CHARTER SCHOOL THAT HAD PREVIOUSLY PARTICIPATED IN THE**
20 **ARIZONA STATE RETIREMENT SYSTEM MAY DISCONTINUE PARTICIPATION IN THE ARIZONA**
21 **STATE RETIREMENT SYSTEM FOR EMPLOYEES WHO ARE HIRED BY THE CHARTER SCHOOL**
22 **AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION.**

23 D. Notwithstanding any other law, a charter school shall not adopt
24 policies that provide employment retention priority for teachers based on
25 tenure or seniority.

26 Sec. 9. Section 15-213, Arizona Revised Statutes, is amended to read:

27 **15-213. Procurement practices of school districts and charter**
28 **schools; definitions**

29 A. The state board of education shall adopt rules prescribing
30 procurement practices for all school districts in this state as follows:

31 1. The state board shall submit to the auditor general proposed rules
32 consistent with the procurement practices prescribed in title 41, chapter 23,
33 modifying the provisions for public notice of invitation for bids, requests
34 for proposals and requests for qualifications to allow a governing board to
35 give public notice of the invitation for bids, requests for proposals and
36 requests for qualifications by publication in the official newspaper of the
37 county as defined in section 11-255, modifying the provisions relating to
38 disposal of materials to comply with section 15-342, paragraph 18, providing
39 for governing board delegation of procurement authority and modifying as
40 necessary other provisions that the state board determines are not
41 appropriate for school districts. The rules shall include provisions
42 specifying that school districts are not required to engage in competitive
43 bidding in order to make the decision to participate in programs pursuant to
44 section 15-382 and that a program authorized by section 15-382 is not
45 required to engage in competitive bidding for the services necessary to

1 administer the program or for purchase of insurance or reinsurance. The
2 rules shall include provisions specifying that school districts are not
3 required to engage in competitive bidding in order to place a pupil in a
4 private school that provides special education services if such placement is
5 prescribed in the pupil's individualized education program and the private
6 school has been approved by the department of education division of special
7 education pursuant to section 15-765, subsection D. This placement is not
8 subject to rules adopted by the state board of education before November 24,
9 2009 pursuant to this section. The rules for procurement of construction
10 projects shall include provisions specifying that surety bonds furnished as
11 bid security and performance and payment bonds shall be executed and
12 furnished as required by title 34, chapter 2 or 6, as applicable. The rules
13 shall specify the total cost of a procurement that is subject to invitations
14 for bids, requests for proposals and requests for clarification, using the
15 aggregate dollar amount limits for procurements prescribed in section
16 41-2535.

17 2. The state board of education shall adopt rules for procurements
18 involving construction not exceeding one hundred fifty thousand dollars,
19 which shall be known as the simplified school construction procurement
20 program. At a minimum, the rules for a simplified construction procurement
21 program shall require that:

22 (a) A list be maintained by each county school superintendent of
23 persons who desire to receive solicitations to bid on construction projects
24 to which additions shall be permitted throughout the year.

25 (b) The list of persons be available for public inspection.

26 (c) A performance bond and a payment bond as required by this section
27 be provided for contracts for construction by contractors.

28 (d) All bids for construction be opened at a public opening and the
29 bids shall remain confidential until the public opening.

30 (e) All persons desiring to submit bids be treated equitably and the
31 information related to each project be available to all eligible persons.

32 (f) Competition for construction projects under the simplified school
33 construction procurement program be encouraged to the maximum extent
34 possible. At a minimum, a school district shall submit information on each
35 project to all persons listed with the county school superintendent by any
36 school district within that county.

37 (g) A provision, covenant, clause or understanding in, collateral to
38 or affecting a construction contract that makes the contract subject to the
39 laws of another state or that requires any litigation, arbitration or other
40 dispute resolution proceeding arising from the contract to be conducted in
41 another state is against this state's public policy and is void and
42 unenforceable.

1 3. The state board of education shall adopt rules for the procurement
2 of goods and information services by school districts and charter schools
3 using electronic, online bidding. The rules adopted by the state board shall
4 include the use of reverse auctions and shall be consistent with the
5 procurement practices prescribed in title 41, chapter 23, article 13,
6 modifying as necessary those provisions and the rules adopted pursuant to
7 that article that the state board determines are not appropriate for school
8 districts and charter schools. Until the rules are adopted, school districts
9 and charter schools may procure goods and information services pursuant to
10 title 41, chapter 23, article 13 using the rules adopted by the department of
11 administration in implementing that article.

12 4. The auditor general shall review the proposed rules to determine
13 whether the rules are consistent with the procurement practices prescribed in
14 title 41, chapter 23 and any modifications are required to adapt the
15 procedures for school districts.

16 5. If the auditor general approves the proposed rules, the auditor
17 general shall notify the state board in writing and the state board shall
18 adopt such rules.

19 6. If the auditor general objects to the proposed rules, the auditor
20 general shall notify the state board of the objections in writing and the
21 state board, in adopting the rules, shall conform the proposed rules to meet
22 the objections of the auditor general or revise the proposed rules to which
23 an objection has been made and submit the revisions to the auditor general
24 for approval.

25 B. After the bids submitted in response to an invitation for bids are
26 opened and the award is made or after the proposals or qualifications are
27 submitted in response to a request for proposals or a request for
28 qualifications and the award is made, the governing board shall make
29 available for public inspection all information, all bids, proposals and
30 qualifications submitted and all findings and other information considered in
31 determining whose bid conforms to the invitation for bids and will be the
32 most advantageous with respect to price, conformity to the specifications and
33 other factors or whose proposal or qualifications are to be selected for the
34 award. The invitation for bids, request for proposals or request for
35 qualifications shall include a notice that all information and bids,
36 proposals and qualifications submitted will be made available for public
37 inspection. The rules adopted by the state board shall prohibit the use in
38 connection with procurement of specifications in any way proprietary to one
39 supplier unless the specification includes all of the following:

40 1. A statement of the reasons why no other specification is
41 practicable.

42 2. A description of the essential characteristics of the specified
43 product.

44 3. A statement specifically permitting an acceptable alternative
45 product to be supplied.

1 C. No project or purchase may be divided or sequenced into separate
2 projects or purchases in order to avoid the limits prescribed by the state
3 board under subsection A of this section.

4 D. A contract for the procurement of construction or construction
5 services shall include a provision that provides for negotiations between the
6 school district and the contractor for the recovery of damages related to
7 expenses incurred by the contractor for a delay for which the school district
8 is responsible, which is unreasonable under the circumstances and which was
9 not within the contemplation of the parties to the contract. This subsection
10 shall not be construed to void any provision in the contract that requires
11 notice of delays, provides for arbitration or other procedure for settlement
12 or provides for liquidated damages.

13 E. The auditor general may conduct discretionary reviews,
14 investigations and audits of the financial and operational procurement
15 activities of school districts, nonexempt charter schools and school
16 purchasing cooperatives. The auditor general has final review and approval
17 authority over all school district, nonexempt charter school and school
18 purchasing cooperative audit contracts and any audit reports issued in
19 accordance with this section.

20 F. In addition to the requirements of sections 15-914 and 15-914.01,
21 school districts, nonexempt charter schools and school purchasing
22 cooperatives, in connection with any audit conducted by a certified public
23 accountant, shall contract for a systematic review of purchasing practices
24 using methodology consistent with sampling guidelines established by the
25 auditor general. The auditor general shall consider cost when establishing
26 guidelines pursuant to this subsection and to the extent possible shall
27 attempt to minimize the cost of the review. The purpose of the review is to
28 determine whether the school district, nonexempt charter school or school
29 purchasing cooperative is in compliance with the procurement laws and
30 applicable procurement rules of this state. A copy of the review shall be
31 submitted on completion to the auditor general. The auditor general may
32 conduct discretionary reviews of school districts, nonexempt charter schools
33 and school purchasing cooperatives not required to contract for independent
34 audits.

35 G. The attorney general or county attorney has jurisdiction to enforce
36 this section. The attorney general or county attorney may seek relief for
37 any violation of this section through an appropriate civil or criminal action
38 in superior court, including an action to enjoin a threatened or pending
39 violation of this section and including an action to enforce compliance with
40 any request for documents made by the auditor general pursuant to this
41 section.

42 H. The department of education shall enact policies and procedures for
43 the acceptance and disposition of complaints from the public regarding school
44 procurement practices and shall forward all school procurement complaints to
45 the attorney general. Notwithstanding rules adopted by the state board,

1 school districts shall not be required to prepare or submit an annual report
2 on the benefits associated with the use of construction-manager-at-risk,
3 design-build, qualified select bidders list and job-order-contracting
4 methods.

5 I. The state board of education shall adopt, and the auditor general
6 shall review, rules authorizing school districts to procure construction
7 services by construction-manager-at-risk, design-build, qualified select
8 bidders list and job-order-contracting methods of project delivery. **THE**
9 **RULES SHALL NOT REQUIRE SCHOOL DISTRICTS TO OBTAIN BID SECURITY FOR THE**
10 **CONSTRUCTION-MANAGER-AT-RISK METHOD OF PROJECT DELIVERY.**

11 J. A school district or charter school may evaluate United States
12 general services administration contracts for materials and services. The
13 governing board or governing body may authorize purchases under a current
14 contract for materials or services without complying with the requirements of
15 the procurement rules adopted by the state board of education if the
16 governing board or governing body determines in writing that all of the
17 following apply:

18 1. The price for materials or services is equal to or less than the
19 contractor's current federal supply contract price with the general services
20 administration.

21 2. The contractor has indicated in writing that the contractor is
22 willing to extend the current federal supply contract pricing, terms and
23 conditions to the school district or charter school.

24 3. The purchase order adequately identifies the federal supply
25 contract on which the order is based.

26 4. The purchase contract is cost effective and is in the best
27 interests of the school district or charter school.

28 **K. UNLESS OTHERWISE PROVIDED BY LAW, CONTRACTS FOR MATERIALS OR**
29 **SERVICES AND CONTRACTS FOR JOB-ORDER-CONTRACTING CONSTRUCTION SERVICES MAY BE**
30 **ENTERED INTO IF THE DURATION OF THE CONTRACT AND THE CONDITIONS OF RENEWAL OR**
31 **EXTENSION, IF ANY, ARE INCLUDED IN THE INVITATION FOR BIDS OR THE REQUEST FOR**
32 **PROPOSALS AND IF MONIES ARE AVAILABLE FOR THE FIRST FISCAL PERIOD AT THE TIME**
33 **THE CONTRACT IS EXECUTED. PAYMENT AND PERFORMANCE OBLIGATIONS FOR SUCCEEDING**
34 **FISCAL PERIODS ARE SUBJECT TO THE AVAILABILITY AND APPROPRIATION OF MONIES.**
35 **THE DURATION OF CONTRACTS FOR JOB-ORDER-CONTRACTING CONSTRUCTION SERVICES**
36 **SHALL BE LIMITED TO NO MORE THAN FIVE YEARS.**

37 ~~K.~~ L. For the purposes of this section:

38 1. "Nonexempt charter school" means a charter school that is not
39 exempted from procurement laws pursuant to section 15-183, subsection E,
40 paragraph 6.

41 2. "School purchasing cooperative" means an entity engaged in
42 cooperative purchasing as defined in section 41-2631.

43 3. "Total cost" means the cost of all materials and services,
44 including the cost of labor performed by employees of the school district,
45 for all construction as provided in subsection A of this section.

1 Sec. 10. Section 15-304, Arizona Revised Statutes, is amended to read:

2 15-304. Warrants; limitations; definition

3 A. The county school superintendent, on the voucher of the governing
4 board of a school district, shall draw the county school superintendent's
5 warrant on the county treasurer for all necessary expenses against the school
6 fund of the district. The warrants shall be drawn in the order in which the
7 vouchers are filed in the county school superintendent's office. Unless
8 notified by the department of education pursuant to section 15-107, a warrant
9 shall not be drawn for an expenditure from the maintenance and operation,
10 capital outlay, adjacent ways and federal and state grant funds for a purpose
11 not included in the budget of the school district or for an expenditure in
12 excess of the amount budgeted and not previously expended, except for
13 expenditures authorized by the board of supervisors as provided in section
14 15-907. The county school superintendent shall not draw a warrant for an
15 expenditure from any school district fund except the maintenance and
16 operation, capital outlay or adjacent ways fund or federal and state grant
17 funds unless sufficient cash is available in the fund according to the
18 records of the county school superintendent. The county school
19 superintendent may only draw a warrant for an expenditure from a federal or
20 state grant fund when sufficient cash is not available in the grant fund if
21 the county treasurer maintains the two accounts as provided in section
22 15-996, paragraph 1 and if the county school superintendent determines that
23 the expenditures are included in the budget section of the approved grant
24 application. **WARRANTS MAY BE PROCESSED THROUGH AN ELECTRONIC PAYMENT SYSTEM.**

25 B. A county school superintendent, within two business days, shall
26 provide written notice to the department of education, if, in the county
27 school superintendent's judgment, a school district has committed an
28 overexpenditure as defined in section 15-107.

29 C. The state board of education shall require a county school
30 superintendent who fails to comply with the notification requirements of
31 subsection B of this section to complete professional development training.
32 The state board of education may also require the employees of a county
33 school superintendent who are involved in school district finances and
34 budgeting to complete professional development training. The professional
35 development training shall be selected from a list approved by the state
36 board of education, and the cost of the professional development training
37 shall be paid by the county school superintendent. County school
38 superintendents and employees of the county school superintendent who are
39 involved in district finances and budgeting shall complete at least twelve
40 hours of professional development training within one hundred twenty days
41 after the decision of the state board of education to require professional
42 development training of the county school superintendent and the employees of
43 the county school superintendent who are involved in district finances and
44 budgeting.

1 D. A county school superintendent who fails to complete the
2 professional development training within the time prescribed in subsection C
3 of this section is guilty of nonfeasance in office, and the state board of
4 education shall forward a complaint to the attorney general. The attorney
5 general may bring an action in superior court against a county school
6 superintendent for failure to comply with the professional development
7 training requirements prescribed in subsection C of this section. If a court
8 determines that a county school superintendent failed to comply with the
9 professional development training requirements prescribed in subsection C of
10 this section, the court shall issue an order removing the county school
11 superintendent from office.

12 E. A county school superintendent who fails to comply with the
13 notification requirements of subsection B of this section more than once is
14 guilty of unprofessional conduct. The attorney general may commence an
15 action in superior court to enforce this subsection against any county school
16 superintendent who violates the notification requirements of subsection B of
17 this section more than once. If the court determines that a county school
18 superintendent is guilty of unprofessional conduct, the court shall issue an
19 order directing the removal of the county school superintendent from office.

20 F. Any vacancy in the office of county school superintendent shall be
21 filled in the manner prescribed by section 11-251.

22 G. For the purposes of this section, "voucher" means a summary cover
23 sheet and either copies of the invoices of the expenditure or a listing of
24 the invoice detail.

25 Sec. 11. Section 15-341, Arizona Revised Statutes, is amended to read:
26 15-341. General powers and duties; immunity; delegation

27 A. The governing board shall:

28 1. Prescribe and enforce policies and procedures for the governance of
29 the schools, not inconsistent with law or rules prescribed by the state board
30 of education.

31 2. Exclude from schools all books, publications, papers or audiovisual
32 materials of a sectarian, partisan or denominational character.

33 3. Manage and control the school property within its district.

34 4. Acquire school furniture, apparatus, equipment, library books and
35 supplies for the use of the schools.

36 5. Prescribe the curricula and criteria for the promotion and
37 graduation of pupils as provided in sections 15-701 and 15-701.01.

38 6. Furnish, repair and insure, at full insurable value, the school
39 property of the district.

40 7. Construct school buildings on approval by a vote of the district
41 electors.

42 8. Make in the name of the district conveyances of property belonging
43 to the district and sold by the board.

44 9. Purchase school sites when authorized by a vote of the district at
45 an election conducted as nearly as practicable in the same manner as the

1 election provided in section 15-481 and held on a date prescribed in section
2 15-491, subsection E, but such authorization shall not necessarily specify
3 the site to be purchased and such authorization shall not be necessary to
4 exchange unimproved property as provided in section 15-342, paragraph 23.

5 10. Construct, improve and furnish buildings used for school purposes
6 when such buildings or premises are leased from the national park service.

7 11. Purchase school sites or construct, improve and furnish school
8 buildings from the proceeds of the sale of school property only on approval
9 by a vote of the district electors.

10 12. Hold pupils to strict account for disorderly conduct on school
11 property.

12 13. Discipline students for disorderly conduct on the way to and from
13 school.

14 14. Except as provided in section 15-1224, deposit all monies received
15 by the district as gifts, grants and devises with the county treasurer who
16 shall credit the deposits as designated in the uniform system of financial
17 records. If not inconsistent with the terms of the gifts, grants and devises
18 given, any balance remaining after expenditures for the intended purpose of
19 the monies have been made shall be used for reduction of school district
20 taxes for the budget year, except that in the case of accommodation schools
21 the county treasurer shall carry the balance forward for use by the county
22 school superintendent for accommodation schools for the budget year.

23 15. Provide that, if a parent or legal guardian chooses not to accept a
24 decision of the teacher as provided in section 15-521, paragraph 2, the
25 parent or legal guardian may request in writing that the governing board
26 review the teacher's decision. Nothing in this paragraph shall be construed
27 to release school districts from any liability relating to a child's
28 promotion or retention.

29 16. Provide for adequate supervision over pupils in instructional and
30 noninstructional activities by certificated or noncertificated personnel.

31 17. Use school monies received from the state and county school
32 apportionment exclusively for payment of salaries of teachers and other
33 employees and contingent expenses of the district.

34 18. Make an annual report to the county school superintendent on or
35 before October 1 in the manner and form and on the blanks prescribed by the
36 superintendent of public instruction or county school superintendent. The
37 board shall also make reports directly to the county school superintendent or
38 the superintendent of public instruction whenever required.

39 19. Deposit all monies received by school districts other than student
40 activities monies or monies from auxiliary operations as provided in sections
41 15-1125 and 15-1126 with the county treasurer to the credit of the school
42 district except as provided in paragraph 20 of this subsection and sections
43 15-1223 and 15-1224, and the board shall expend the monies as provided by law
44 for other school funds.

1 20. Establish bank accounts in which the board during a month may
2 deposit miscellaneous monies received directly by the district. The board
3 shall remit monies deposited in the bank accounts at least monthly to the
4 county treasurer for deposit as provided in paragraph 19 of this subsection
5 and in accordance with the uniform system of financial records.

6 21. Prescribe and enforce policies and procedures for disciplinary
7 action against a teacher who engages in conduct that is a violation of the
8 policies of the governing board but that is not cause for dismissal of the
9 teacher or for revocation of the certificate of the teacher. Disciplinary
10 action may include suspension without pay for a period of time not to exceed
11 ten school days. Disciplinary action shall not include suspension with pay
12 or suspension without pay for a period of time longer than ten school days.
13 The procedures shall include notice, hearing and appeal provisions for
14 violations that are cause for disciplinary action. The governing board may
15 designate a person or persons to act on behalf of the board on these matters.

16 22. Prescribe and enforce policies and procedures for disciplinary
17 action against an administrator who engages in conduct that is a violation of
18 the policies of the governing board regarding duties of administrators but
19 that is not cause for dismissal of the administrator or for revocation of the
20 certificate of the administrator. Disciplinary action may include suspension
21 without pay for a period of time not to exceed ten school days. Disciplinary
22 action shall not include suspension with pay or suspension without pay for a
23 period of time longer than ten school days. The procedures shall include
24 notice, hearing and appeal provisions for violations that are cause for
25 disciplinary action. The governing board may designate a person or persons
26 to act on behalf of the board on these matters. For violations that are
27 cause for dismissal, the provisions of notice, hearing and appeal in chapter
28 5, article 3 of this title shall apply. The filing of a timely request for a
29 hearing suspends the imposition of a suspension without pay or a dismissal
30 pending completion of the hearing.

31 23. Notwithstanding sections 13-3108 and 13-3120, prescribe and enforce
32 policies and procedures that prohibit a person from carrying or possessing a
33 weapon on school grounds unless the person is a peace officer or has obtained
34 specific authorization from the school administrator.

35 24. Prescribe and enforce policies and procedures relating to the
36 health and safety of all pupils participating in district sponsored practice
37 sessions, ~~OR~~ OR games or other interscholastic athletic activities, including
38 the provision of water.

39 25. Prescribe and enforce policies and procedures regarding the smoking
40 of tobacco within school buildings. The policies and procedures shall be
41 adopted in consultation with school district personnel and members of the
42 community and shall state whether smoking is prohibited in school buildings.
43 If smoking in school buildings is not prohibited, the policies and procedures
44 shall clearly state the conditions and circumstances under which smoking is
45 permitted, those areas in a school building that may be designated as smoking

1 areas and those areas in a school building that may not be designated as
2 smoking areas.

3 26. Establish an assessment, data gathering and reporting system as
4 prescribed in chapter 7, article 3 of this title.

5 27. Provide special education programs and related services pursuant to
6 section 15-764, subsection A to all children with disabilities as defined in
7 section 15-761.

8 28. Administer competency tests prescribed by the state board of
9 education for the graduation of pupils from high school.

10 29. Ensure that insurance coverage is secured for all construction
11 projects for purposes of general liability, property damage and workers'
12 compensation and secure performance and payment bonds for all construction
13 projects.

14 30. Keep on file the resumes of all current and former employees who
15 provide instruction to pupils at a school. Resumes shall include an
16 individual's educational and teaching background and experience in a
17 particular academic content subject area. A school district shall inform
18 parents and guardians of the availability of the resume information and shall
19 make the resume information available for inspection on request of parents
20 and guardians of pupils enrolled at a school. Nothing in this paragraph
21 shall be construed to require any school to release personally identifiable
22 information in relation to any teacher or employee, including the teacher's
23 or employee's address, salary, social security number or telephone number.

24 31. Report to local law enforcement agencies any suspected crime
25 against a person or property that is a serious offense as defined in section
26 13-706 or that involves a deadly weapon or dangerous instrument or serious
27 physical injury and any conduct that poses a threat of death or serious
28 physical injury to employees, students or anyone on the property of the
29 school. This paragraph does not limit or preclude the reporting by a school
30 district or an employee of a school district of suspected crimes other than
31 those required to be reported by this paragraph. For the purposes of this
32 paragraph, "dangerous instrument", "deadly weapon" and "serious physical
33 injury" have the same meanings prescribed in section 13-105.

34 32. In conjunction with local law enforcement agencies and local
35 medical facilities, develop an emergency response plan for each school in the
36 school district in accordance with minimum standards developed jointly by the
37 department of education and the division of emergency management within the
38 department of emergency and military affairs.

39 33. Provide written notice to the parents or guardians of all students
40 affected in the school district at least ~~thirty~~ TEN days prior to a public
41 meeting to discuss closing a school within the school district. The notice
42 shall include the reasons for the proposed closure and the time and place of
43 the meeting. The governing board shall fix a time for a public meeting on
44 the proposed closure no less than ~~thirty~~ TEN days before voting in a public
45 meeting to close the school. The school district governing board shall give

1 notice of the time and place of the meeting. At the time and place
2 designated in the notice, the school district governing board shall hear
3 reasons for or against closing the school. The school district governing
4 board is exempt from this paragraph if it is determined by the governing
5 board that the school shall be closed because it poses a danger to the health
6 or safety of the pupils or employees of the school.

7 34. Incorporate instruction on Native American history into appropriate
8 existing curricula.

9 35. Prescribe and enforce policies and procedures allowing pupils who
10 have been diagnosed with anaphylaxis by a health care provider licensed
11 pursuant to title 32, chapter 13, 14, 17 or 25 or by a registered nurse
12 practitioner licensed and certified pursuant to title 32, chapter 15 to carry
13 and self-administer emergency medications, including auto-injectable
14 epinephrine, while at school and at school sponsored activities. The pupil's
15 name on the prescription label on the medication container or on the
16 medication device and annual written documentation from the pupil's parent or
17 guardian to the school that authorizes possession and self-administration is
18 sufficient proof that the pupil is entitled to the possession and
19 self-administration of the medication. The policies shall require a pupil
20 who uses auto-injectable epinephrine while at school and at school sponsored
21 activities to notify the nurse or the designated school staff person of the
22 use of the medication as soon as practicable. A school district and its
23 employees are immune from civil liability with respect to all decisions made
24 and actions taken that are based on good faith implementation of the
25 requirements of this paragraph, except in cases of wanton or wilful neglect.

26 36. Allow the possession and self-administration of prescription
27 medication for breathing disorders in handheld inhaler devices by pupils who
28 have been prescribed that medication by a health care professional licensed
29 pursuant to title 32. The pupil's name on the prescription label on the
30 medication container or on the handheld inhaler device and annual written
31 documentation from the pupil's parent or guardian to the school that
32 authorizes possession and self-administration shall be sufficient proof that
33 the pupil is entitled to the possession and self-administration of the
34 medication. A school district and its employees are immune from civil
35 liability with respect to all decisions made and actions taken that are based
36 on a good faith implementation of the requirements of this paragraph.

37 37. Prescribe and enforce policies and procedures to prohibit pupils
38 from harassing, intimidating and bullying other pupils on school grounds, on
39 school property, on school buses, at school bus stops and at school sponsored
40 events and activities that include the following components:

41 (a) A procedure for pupils to confidentially report to school
42 officials incidents of harassment, intimidation or bullying.

43 (b) A procedure for parents and guardians of pupils to submit written
44 reports to school officials of suspected incidents of harassment,
45 intimidation or bullying.

1 (c) A requirement that school district employees report suspected
2 incidents of harassment, intimidation or bullying to the appropriate school
3 official.

4 (d) A formal process for the documentation of reported incidents of
5 harassment, intimidation or bullying and for the confidentiality, maintenance
6 and disposition of this documentation. If a school maintains documentation
7 of reported incidents of harassment, intimidation or bullying, the school
8 shall not use that documentation to impose disciplinary action unless the
9 appropriate school official has investigated and determined that the reported
10 incidents of harassment, intimidation or bullying occurred.

11 (e) A formal process for the investigation by the appropriate school
12 officials of suspected incidents of harassment, intimidation or bullying.

13 (f) Disciplinary procedures for pupils who have admitted or been found
14 to have committed incidents of harassment, intimidation or bullying.

15 (g) A procedure that sets forth consequences for submitting false
16 reports of incidents of harassment, intimidation or bullying.

17 38. Prescribe and enforce policies and procedures regarding changing or
18 adopting attendance boundaries that include the following components:

19 (a) A procedure for holding public meetings to discuss attendance
20 boundary changes or adoptions that allows public comments.

21 (b) A procedure to notify the parents or guardians of the students
22 affected.

23 (c) A procedure to notify the residents of the households affected by
24 the attendance boundary changes.

25 (d) A process for placing public meeting notices and proposed maps on
26 the school district's website for public review, if the school district
27 maintains a website.

28 (e) A formal process for presenting the attendance boundaries of the
29 affected area in public meetings that allows public comments.

30 (f) A formal process for notifying the residents and parents or
31 guardians of the affected area as to the decision of the governing board on
32 the school district's website, if the school district maintains a website.

33 (g) A formal process for updating attendance boundaries on the school
34 district's website within ninety days of an adopted boundary change. The
35 school district shall send a direct link to the school district's attendance
36 boundaries website to the department of real estate.

37 (h) If the land that a school was built on was donated within the past
38 five years, a formal process to notify the entity that donated the land
39 affected by the decision of the governing board.

40 39. If the state board of education determines that the school district
41 has committed an overexpenditure as defined in section 15-107, provide a copy
42 of the fiscal management report submitted pursuant to section 15-107,
43 subsection H on its website and make copies available to the public on
44 request. The school district shall comply with a request within five
45 business days after receipt.

1 40. Ensure that the contract for the superintendent is structured in a
2 manner ~~where at least~~ IN WHICH UP TO twenty per cent of the total annual
3 ~~compensation and benefits~~ SALARY included for the superintendent in the
4 contract is classified as performance pay. Nothing in this paragraph shall
5 be construed to require school districts to increase total compensation for
6 superintendents. Unless the school district governing board votes to
7 implement an alternative procedure at a public meeting called for this
8 purpose, the performance pay portion of the superintendent's total annual
9 compensation shall be determined as follows:

10 (a) Twenty-five per cent of the performance pay shall be determined
11 based on the percentage of academic gain determined by the department of
12 education of pupils who are enrolled in the school district compared to the
13 academic gain achieved by the highest ranking of the fifty largest school
14 districts in this state. For the purposes of this subdivision, the
15 department of education shall determine academic gain by the academic growth
16 achieved by each pupil who has been enrolled at the same school in a school
17 district for at least five consecutive months measured against that pupil's
18 academic results in the 2008-2009 school year. For the purposes of this
19 subdivision, of the fifty largest school districts in this state, the school
20 district with pupils who demonstrate the highest statewide percentage of
21 overall academic gain measured against academic results for the 2008-2009
22 school year shall be assigned a score of 100 and the school district with
23 pupils who demonstrate the lowest statewide percentage of overall academic
24 gain measured against academic results for the 2008-2009 school year shall be
25 assigned a score of 0.

26 (b) Twenty-five per cent of the performance pay shall be determined by
27 the percentage of parents of pupils who are enrolled at the school district
28 who assign a letter grade of "A" to the school on a survey of parental
29 satisfaction with the school district. The parental satisfaction survey
30 shall be administered and scored by an independent entity that is selected by
31 the governing board and that demonstrates sufficient expertise and experience
32 to accurately measure the results of the survey. The parental satisfaction
33 survey shall use standard random sampling procedures and provide anonymity
34 and confidentiality to each parent who participates in the survey. The
35 letter grade scale used on the parental satisfaction survey shall direct
36 parents to assign one of the following letter grades:

37 (i) A letter grade of "A" if the school district is excellent.

38 (ii) A letter grade of "B" if the school district is above average.

39 (iii) A letter grade of "C" if the school district is average.

40 (iv) A letter grade of "D" if the school district is below average.

41 (v) A letter grade of "F" if the school district is a failure.

42 (c) Twenty-five per cent of the performance pay shall be determined by
43 the percentage of teachers who are employed at the school district and who
44 assign a letter grade of "A" to the school on a survey of teacher
45 satisfaction with the school. The teacher satisfaction survey shall be

1 administered and scored by an independent entity that is selected by the
2 governing board and that demonstrates sufficient expertise and experience to
3 accurately measure the results of the survey. The teacher satisfaction
4 survey shall use standard random sampling procedures and provide anonymity
5 and confidentiality to each teacher who participates in the survey. The
6 letter grade scale used on the teacher satisfaction survey shall direct
7 teachers to assign one of the following letter grades:

8 (i) A letter grade of "A" if the school district is excellent.

9 (ii) A letter grade of "B" if the school district is above average.

10 (iii) A letter grade of "C" if the school district is average.

11 (iv) A letter grade of "D" if the school district is below average.

12 (v) A letter grade of "F" if the school district is a failure.

13 (d) Twenty-five per cent of the performance pay shall be determined by
14 other criteria selected by the governing board.

15 B. Notwithstanding subsection A, paragraphs 7, 9 and 11 of this
16 section, the county school superintendent may construct, improve and furnish
17 school buildings or purchase or sell school sites in the conduct of an
18 accommodation school.

19 C. If any school district acquires real or personal property, whether
20 by purchase, exchange, condemnation, gift or otherwise, the governing board
21 shall pay to the county treasurer any taxes on the property that were unpaid
22 as of the date of acquisition, including penalties and interest. The lien
23 for unpaid delinquent taxes, penalties and interest on property acquired by a
24 school district:

25 1. Is not abated, extinguished, discharged or merged in the title to
26 the property.

27 2. Is enforceable in the same manner as other delinquent tax liens.

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

39 E. A school district, its governing board members, its school council
40 members and its employees are immune from civil liability for the
41 consequences of adoption and implementation of policies and procedures
42 pursuant to subsection A of this section and section 15-342. This waiver
43 does not apply if the school district, its governing board members, its
44 school council members or its employees are guilty of gross negligence or
45 intentional misconduct.

1 F. A governing board may delegate in writing to a superintendent,
2 principal or head teacher the authority to prescribe procedures that are
3 consistent with the governing board's policies.

4 G. ~~Notwithstanding any other provision of this title,~~ EXCEPT AS
5 OTHERWISE PROVIDED IN THIS SUBSECTION, a school district governing board
6 shall not take any action that would result in a reduction of pupil square
7 footage unless the governing board notifies the school facilities board
8 established by section 15-2001 of the proposed action and receives written
9 approval from the school facilities board to take the action. A reduction
10 includes an increase in administrative space that results in a reduction of
11 pupil square footage or sale of school sites or buildings, or both. A
12 reduction includes a reconfiguration of grades that results in a reduction of
13 pupil square footage of any grade level. This subsection does not apply to
14 temporary reconfiguration of grades to accommodate new school construction if
15 the temporary reconfiguration does not exceed one year OR TO THE DEMOLITION
16 OF SCHOOL BUILDINGS IF THE SCHOOL DISTRICT RECAPTURES THE REDUCED PUPIL
17 SQUARE FOOTAGE WITH ADDITIONAL PUPIL SQUARE FOOTAGE WITHIN TWO YEARS. The
18 sale of equipment that results in a reduction that falls below the equipment
19 requirements prescribed in section 15-2011, subsection B is subject to
20 commensurate withholding of school district capital outlay revenue limit
21 monies pursuant to the direction of the school facilities board. Except as
22 provided in section 15-342, paragraph 10, proceeds from the sale of school
23 sites, buildings or other equipment shall be deposited in the school plant
24 fund as provided in section 15-1102.

25 H. Subsections C through G of this section apply to a county board of
26 supervisors and a county school superintendent when operating and
27 administering an accommodation school.

28 Sec. 12. Section 15-341.01, Arizona Revised Statutes, is amended to
29 read:

30 15-341.01. One hundred eighty day school year; definition

31 A. Notwithstanding any other law, UNLESS THE SCHOOL DISTRICT GOVERNING
32 BOARD ADOPTS A WRITTEN RESOLUTION TO CONDUCT SCHOOL SESSIONS IN THAT SCHOOL
33 DISTRICT FOR FEWER THAN ONE HUNDRED EIGHTY DAYS, school instruction shall be
34 conducted in each public school in this state for school sessions that total
35 at least one hundred eighty days each school year. The superintendent of
36 public instruction shall cause all relevant school funding formulas to be
37 adjusted to reflect instruction on the one hundred eighty days' equivalency.
38 The department of education shall adjust the amount of state aid distributed
39 to school districts pursuant to section 15-971 to correspond to the increased
40 number of school days prescribed by this section.

41 B. A SCHOOL DISTRICT WITH A GOVERNING BOARD THAT ADOPTS A WRITTEN
42 RESOLUTION TO CONDUCT SCHOOL SESSIONS FOR FEWER THAN ONE HUNDRED EIGHTY DAYS
43 SHALL CONDUCT SCHOOL SESSIONS IN THAT SCHOOL DISTRICT FOR AT LEAST ONE
44 HUNDRED SEVENTY DAYS EACH SCHOOL YEAR AND SHALL ENSURE THAT THE SCHOOL
45 SESSIONS ARE CONDUCTED FOR THE SAME TOTAL NUMBER OF MINUTES REQUIRED BY LAW

1 FOR ONE HUNDRED EIGHTY DAYS OF INSTRUCTION. THE DEPARTMENT OF EDUCATION
2 SHALL ADJUST THE HOURLY REQUIREMENTS FOR FULL-TIME STUDENTS AND FRACTIONAL
3 STUDENTS PRESCRIBED IN SECTION 15-901 FOR SCHOOL DISTRICTS THAT ELECT TO
4 PROVIDE FEWER THAN ONE HUNDRED EIGHTY DAYS OF INSTRUCTION.

5 ~~B-~~ C. For the purposes of this section, "one hundred eighty days"
6 means one hundred eighty days of instruction or an equivalent number of
7 minutes of instruction per school year based on a different number of days of
8 instruction approved by the school district governing board or charter school
9 governing body.

10 Sec. 13. Section 15-342, Arizona Revised Statutes, as amended by Laws
11 2010, chapter 332, section 9, is amended to read:

12 15-342. Discretionary powers

13 The governing board may:

- 14 1. Expel pupils for misconduct.
- 15 2. Exclude from grades one through eight children under six years of
16 age.
- 17 3. Make such separation of groups of pupils as it deems advisable.
- 18 4. Maintain such special schools during vacation as deemed necessary
19 for the benefit of the pupils of the school district.
- 20 5. Permit a superintendent or principal or representatives of the
21 superintendent or principal to travel for a school purpose, as determined by
22 a majority vote of the board. The board may permit members and members-elect
23 of the board to travel within or without the school district for a school
24 purpose and receive reimbursement. Any expenditure for travel and
25 subsistence pursuant to this paragraph shall be as provided in title 38,
26 chapter 4, article 2. The designated post of duty referred to in section
27 38-621 shall be construed, for school district governing board members, to be
28 the member's actual place of residence, as opposed to the school district
29 office or the school district boundaries. Such expenditures shall be a
30 charge against the budgeted school district funds. The governing board of a
31 school district shall prescribe procedures and amounts for reimbursement of
32 lodging and subsistence expenses. Reimbursement amounts shall not exceed the
33 maximum amounts established pursuant to section 38-624, subsection C.
- 34 6. Construct or provide in rural districts housing facilities for
35 teachers and other school employees which the board determines are necessary
36 for the operation of the school.
- 37 7. Sell or lease to the state, a county, a city, ANOTHER SCHOOL
38 DISTRICT or a tribal government agency any school property required for a
39 public purpose, provided the sale or lease of the property will not affect
40 the normal operations of a school within the school district.
- 41 8. Annually budget and expend funds for membership in an association
42 of school districts within this state.
- 43 9. Enter into leases or lease-purchase agreements for school buildings
44 or grounds, or both, as lessor or as lessee, for periods of less than five

1 years subject to voter approval for construction of school buildings as
2 prescribed in section 15-341, subsection A, paragraph 7.

3 10. Subject to chapter 16 of this title, sell school sites or enter
4 into leases or lease-purchase agreements for school buildings and grounds, as
5 lessor or as lessee, for a period of five years or more, but not to exceed
6 ninety-nine years, if authorized by a vote of the school district electors in
7 an election called by the governing board as provided in section 15-491,
8 except that authorization by the school district electors in an election is
9 not required if one of the following requirements is met:

10 (a) The market value of the school property is less than fifty
11 thousand dollars or the property is procured through an energy performance
12 contract, which among other items includes a renewable energy power service
13 agreement, or a simplified energy performance contract pursuant to section
14 15-213.01.

15 (b) The buildings and sites are completely funded with monies
16 distributed by the school facilities board.

17 (c) The transaction involves the sale of improved or unimproved
18 property pursuant to an agreement with the school facilities board in which
19 the school district agrees to sell the improved or unimproved property and
20 transfer the proceeds of the sale to the school facilities board in exchange
21 for monies from the school facilities board for the acquisition of a more
22 suitable school site. For a sale of property acquired by a school district
23 prior to July 9, 1998, a school district shall transfer to the school
24 facilities board that portion of the proceeds that equals the cost of the
25 acquisition of a more suitable school site. If there are any remaining
26 proceeds after the transfer of monies to the school facilities board, a
27 school district shall only use those remaining proceeds for future land
28 purchases approved by the school facilities board, or for capital
29 improvements not funded by the school facilities board for any existing or
30 future facility.

31 (d) The transaction involves the sale of improved or unimproved
32 property pursuant to a formally adopted plan and the school district uses the
33 proceeds of this sale to purchase other property that will be used for
34 similar purposes as the property that was originally sold, provided that the
35 sale proceeds of the improved or unimproved property are used within two
36 years after the date of the original sale to purchase the replacement
37 property. If the sale proceeds of the improved or unimproved property are
38 not used within two years after the date of the original sale to purchase
39 replacement property, the sale proceeds shall be used towards payment of any
40 outstanding bonded indebtedness. If any sale proceeds remain after paying
41 for outstanding bonded indebtedness, or if the district has no outstanding
42 bonded indebtedness, sale proceeds shall be used to reduce the district's
43 primary tax levy. A school district shall not use this subdivision unless
44 all of the following conditions exist:

1 (i) The school district is the sole owner of the improved or
2 unimproved property that the school district intends to sell.

3 (ii) The school district did not purchase the improved or unimproved
4 property that the school district intends to sell with monies that were
5 distributed pursuant to chapter 16 of this title.

6 (iii) The transaction does not violate section 15-341, subsection G.

7 11. Review the decision of a teacher to promote a pupil to a grade or
8 retain a pupil in a grade in a common school or to pass or fail a pupil in a
9 course in high school. The pupil has the burden of proof to overturn the
10 decision of a teacher to promote, retain, pass or fail the pupil. In order
11 to sustain the burden of proof, the pupil shall demonstrate to the governing
12 board that the pupil has mastered the academic standards adopted by the state
13 board of education pursuant to sections 15-701 and 15-701.01. If the
14 governing board overturns the decision of a teacher pursuant to this
15 paragraph, the governing board shall adopt a written finding that the pupil
16 has mastered the academic standards. Notwithstanding title 38, chapter 3,
17 article 3.1, the governing board shall review the decision of a teacher to
18 promote a pupil to a grade or retain a pupil in a grade in a common school or
19 to pass or fail a pupil in a course in high school in executive session
20 unless a parent or legal guardian of the pupil or the pupil, if emancipated,
21 disagrees that the review should be conducted in executive session and then
22 the review shall be conducted in an open meeting. If the review is conducted
23 in executive session, the board shall notify the teacher of the date, time
24 and place of the review and shall allow the teacher to be present at the
25 review. If the teacher is not present at the review, the board shall consult
26 with the teacher before making its decision. Any request, including the
27 written request as provided in section 15-341, the written evidence presented
28 at the review and the written record of the review, including the decision of
29 the governing board to accept or reject the teacher's decision, shall be
30 retained by the governing board as part of its permanent records.

31 12. Provide transportation or site transportation loading and unloading
32 areas for any child or children if deemed for the best interest of the
33 district, whether within or without the district, county or state. **UNLESS**
34 **THE TRANSPORTATION IS MANDATED BY STATE OR FEDERAL LAW, A SCHOOL DISTRICT MAY**
35 **CHARGE PUPILS FOR TRANSPORTATION FOR FIELD TRIPS, ATHLETIC EVENTS AND**
36 **EXTRACURRICULAR ACTIVITIES.**

37 13. Enter into intergovernmental agreements and contracts with school
38 districts or other governing bodies as provided in section 11-952.
39 Intergovernmental agreements and contracts between school districts or
40 between a school district and other governing bodies as provided in section
41 11-952 are exempt from competitive bidding under the procurement rules
42 adopted by the state board of education pursuant to section 15-213.

43 14. Include in the curricula which it prescribes for high schools in
44 the school district career and technical education, vocational education and
45 technology education programs and career and technical, vocational and

1 technology program improvement services for the high schools, subject to
2 approval by the state board of education. The governing board may contract
3 for the provision of career and technical, vocational and technology
4 education as provided in section 15-789.

5 15. Suspend a teacher or administrator from the teacher's or
6 administrator's duties without pay for a period of time of not to exceed ten
7 school days, if the board determines that suspension is warranted pursuant to
8 section 15-341, subsection A, paragraphs 21 and 22.

9 16. Dedicate school property within an incorporated city or town to
10 such city or town or within a county to that county for use as a public
11 right-of-way if both of the following apply:

12 (a) Pursuant to an ordinance adopted by such city, town or county,
13 there will be conferred upon the school district privileges and benefits
14 which may include benefits related to zoning.

15 (b) The dedication will not affect the normal operation of any school
16 within the district.

17 17. Enter into option agreements for the purchase of school sites.

18 18. Donate surplus or outdated learning materials, **EDUCATIONAL**
19 **EQUIPMENT AND FURNISHINGS** to nonprofit community organizations where the
20 governing board determines that the anticipated cost of selling the learning
21 materials, **EDUCATIONAL EQUIPMENT OR FURNISHINGS** equals or exceeds the
22 estimated market value of the materials.

23 19. Prescribe policies for the assessment of reasonable fees for
24 students to use district-provided parking facilities. The fees are to be
25 applied by the district solely against costs incurred in operating or
26 securing the parking facilities. Any policy adopted by the governing board
27 pursuant to this paragraph shall include a fee waiver provision in
28 appropriate cases of need or economic hardship.

29 20. Establish alternative educational programs that are consistent with
30 the laws of this state to educate pupils, including pupils who have been
31 reassigned pursuant to section 15-841, subsection E or F.

32 21. Require a period of silence to be observed at the commencement of
33 the first class of the day in the schools. If a governing board chooses to
34 require a period of silence to be observed, the teacher in charge of the room
35 in which the first class is held shall announce that a period of silence not
36 to exceed one minute in duration will be observed for meditation, and during
37 that time no activities shall take place and silence shall be maintained.

38 22. Require students to wear uniforms.

39 23. Exchange unimproved property or improved property, including school
40 sites, where the governing board determines that the improved property is
41 unnecessary for the continued operation of the school district without
42 requesting authorization by a vote of the school district electors if the
43 governing board determines that the exchange is necessary to protect the
44 health, safety or welfare of pupils or when the governing board determines
45 that the exchange is based on sound business principles for either:

- 1 (a) Unimproved or improved property of equal or greater value.
- 2 (b) Unimproved property that the owner contracts to improve if the
- 3 value of the property ultimately received by the school district is of equal
- 4 or greater value.

5 24. For common and high school pupils, assess reasonable fees for
6 optional extracurricular activities and programs conducted when the common or
7 high school is not in session, except that no fees shall be charged for
8 pupils' access to or use of computers or related materials. For high school
9 pupils, the governing board may assess reasonable fees for fine arts and
10 vocational education courses and for optional services, equipment and
11 materials offered to the pupils beyond those required to successfully
12 complete the basic requirements of any other course, except that no fees
13 shall be charged for pupils' access to or use of computers or related
14 materials. Fees assessed pursuant to this paragraph shall be adopted at a
15 public meeting after notice has been given to all parents of pupils enrolled
16 at schools in the district and shall not exceed the actual costs of the
17 activities, programs, services, equipment or materials. The governing board
18 shall authorize principals to waive the assessment of all or part of a fee
19 assessed pursuant to this paragraph if it creates an economic hardship for a
20 pupil. For the purposes of this paragraph, "extracurricular activity" means
21 any optional, noncredit, educational or recreational activity which
22 supplements the education program of the school, whether offered before,
23 during or after regular school hours.

24 25. Notwithstanding section 15-341, subsection A, paragraphs 7 and 9,
25 construct school buildings and purchase or lease school sites, without a vote
26 of the school district electors, if the buildings and sites are totally
27 funded from one or more of the following:

28 (a) Monies in the unrestricted capital outlay fund, except that the
29 estimated cost shall not exceed two hundred fifty thousand dollars for a
30 district that utilizes section 15-949.

31 (b) Monies distributed from the school facilities board established by
32 section 15-2001.

33 (c) Monies specifically donated for the purpose of constructing school
34 buildings.

35 Nothing in this paragraph shall be construed to eliminate the requirement for
36 an election to raise revenues for a capital outlay override pursuant to
37 section 15-481 or a bond election pursuant to section 15-491.

38 26. Conduct a background investigation that includes a fingerprint
39 check conducted pursuant to section 41-1750, subsection G for certificated
40 personnel and personnel who are not paid employees of the school district, as
41 a condition of employment. A school district may release the results of a
42 background check to another school district for employment purposes. The
43 school district may charge the costs of fingerprint checks to its
44 fingerprinted employee, except that the school district may not charge the

1 costs of fingerprint checks for personnel who are not paid employees of the
2 school district.

3 27. Unless otherwise prohibited by law, sell advertising as follows:

4 (a) Advertisements shall be age appropriate and not contain promotion
5 of any substance that is illegal for minors such as alcohol, tobacco and
6 drugs or gambling. Advertisements shall comply with the state sex education
7 policy of abstinence.

8 (b) Advertising approved by the governing board for the exterior of
9 school buses may appear only on the sides of the bus in the following areas:

10 (i) The signs shall be below the seat level rub rail and not extend
11 above the bottom of the side windows.

12 (ii) The signs shall be at least three inches from any required
13 lettering, lamp, wheel well or reflector behind the service door or stop
14 signal arm.

15 (iii) The signs shall not extend from the body of the bus so as to
16 allow a handhold or present a danger to pedestrians.

17 (iv) The signs shall not interfere with the operation of any door or
18 window.

19 (v) The signs shall not be placed on any emergency doors.

20 (c) The school district shall establish an advertisement fund that is
21 composed of revenues from the sale of advertising. The monies in an
22 advertisement fund are not subject to reversion.

23 28. Assess reasonable damage deposits to pupils in grades seven through
24 twelve for the use of textbooks, musical instruments, band uniforms or other
25 equipment required for academic courses. The governing board shall adopt
26 policies on any damage deposits assessed pursuant to this paragraph at a
27 public meeting called for this purpose after providing notice to all parents
28 of pupils in grades seven through twelve in the school district. Principals
29 of individual schools within the district may waive the damage deposit
30 requirement for any textbook or other item if the payment of the damage
31 deposit would create an economic hardship for the pupil. The school district
32 shall return the full amount of the damage deposit for any textbook or other
33 item if the pupil returns the textbook or other item in reasonably good
34 condition within the time period prescribed by the governing board. For the
35 purposes of this paragraph, "in reasonably good condition" means the textbook
36 or other item is in the same or a similar condition as it was when the pupil
37 received it, plus ordinary wear and tear.

38 29. Notwithstanding section 15-1105, expend surplus monies in the civic
39 center school fund for maintenance and operations or unrestricted capital
40 outlay, if sufficient monies are available in the fund after meeting the
41 needs of programs established pursuant to section 15-1105.

42 30. Notwithstanding section 15-1143, expend surplus monies in the
43 community school program fund for maintenance and operations or unrestricted
44 capital outlay, if sufficient monies are available in the fund after meeting
45 the needs of programs established pursuant to section 15-1142.

1 31. Adopt guidelines for standardization of the format of the school
2 report cards required by section 15-746 for schools within the district.

3 32. Adopt policies that require parental notification when a law
4 enforcement officer interviews a pupil on school grounds. Policies adopted
5 pursuant to this paragraph shall not impede a peace officer from the
6 performance of the peace officer's duties. If the school district governing
7 board adopts a policy that requires parental notification:

8 (a) The policy may provide reasonable exceptions to the parental
9 notification requirement.

10 (b) The policy shall set forth whether and under what circumstances a
11 parent may be present when a law enforcement officer interviews the pupil,
12 including reasonable exceptions to the circumstances under which a parent may
13 be present when a law enforcement officer interviews the pupil, and shall
14 specify a reasonable maximum time after a parent is notified that an
15 interview of a pupil by a law enforcement officer may be delayed to allow the
16 parent to be present.

17 33. Enter into voluntary partnerships with any party to finance with
18 funds other than school district funds and cooperatively design school
19 facilities that comply with the adequacy standards prescribed in section
20 15-2011 and the square footage per pupil requirements pursuant to section
21 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and
22 location of any such school facility shall be submitted to the school
23 facilities board for approval pursuant to section 15-2041, subsection 0. If
24 the school facilities board approves the design plans and location of any
25 such school facility, the party in partnership with the school district may
26 cause to be constructed and the district may begin operating the school
27 facility before monies are distributed from the school facilities board
28 pursuant to section 15-2041. Monies distributed from the new school
29 facilities fund to a school district in a partnership with another party to
30 finance and design the school facility shall be paid to the school district
31 pursuant to section 15-2041. The school district shall reimburse the party
32 in partnership with the school district from the monies paid to the school
33 district pursuant to section 15-2041, in accordance with the voluntary
34 partnership agreement. Before the school facilities board distributes any
35 monies pursuant to this subsection, the school district shall demonstrate to
36 the school facilities board that the facilities to be funded pursuant to
37 section 15-2041, subsection 0 meet the minimum adequacy standards prescribed
38 in section 15-2011. If the cost to construct the school facility exceeds the
39 amount that the school district receives from the new school facilities fund,
40 the partnership agreement between the school district and the other party
41 shall specify that, except as otherwise provided by the other party, any such
42 excess costs shall be the responsibility of the school district. The school
43 district governing board shall adopt a resolution in a public meeting that an
44 analysis has been conducted on the prospective effects of the decision to
45 operate a new school with existing monies from the school district's

1 maintenance and operations budget and how this decision may affect other
2 schools in the school district. If a school district acquires land by
3 donation at an appropriate school site approved by the school facilities
4 board and a school facility is financed and built on the land pursuant to
5 this paragraph, the school facilities board shall distribute an amount equal
6 to twenty per cent of the fair market value of the land that can be used for
7 academic purposes. The school district shall place the monies in the
8 unrestricted capital outlay fund and increase the unrestricted capital budget
9 limit by the amount of the monies placed in the fund. Monies distributed
10 under this paragraph shall be distributed from the new school facilities fund
11 pursuant to section 15-2041. If a school district acquires land by donation
12 at an appropriate school site approved by the school facilities board and a
13 school facility is financed and built on the land pursuant to this paragraph,
14 the school district shall not receive monies from the school facilities board
15 for the donation of real property pursuant to section 15-2041, subsection F.
16 It is unlawful for:

17 (a) A county, city or town to require as a condition of any land use
18 approval that a landowner or landowners that entered into a partnership
19 pursuant to this paragraph provide any contribution, donation or gift, other
20 than a site donation, to a school district. This subdivision only applies to
21 the property in the voluntary partnership agreement pursuant to this
22 paragraph.

23 (b) A county, city or town to require as a condition of any land use
24 approval that the landowner or landowners located within the geographic
25 boundaries of the school subject to the voluntary partnership pursuant to
26 this paragraph provide any donation or gift to the school district except as
27 provided in the voluntary partnership agreement pursuant to this paragraph.

28 (c) A community facilities district established pursuant to title 48,
29 chapter 4, article 6 to be used for reimbursement of financing the
30 construction of a school pursuant to this paragraph.

31 (d) A school district to enter into an agreement pursuant to this
32 paragraph with any party other than a master planned community party. Any
33 land area consisting of at least three hundred twenty acres that is the
34 subject of a development agreement with a county, city or town entered into
35 pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master
36 planned community. For the purposes of this subdivision, "master planned
37 community" means a land area consisting of at least three hundred twenty
38 acres, which may be noncontiguous, that is the subject of a zoning ordinance
39 approved by the governing body of the county, city or town in which the land
40 is located that establishes the use of the land area as a planned area
41 development or district, planned community development or district, planned
42 unit development or district or other land use category or district that is
43 recognized in the local ordinance of such county, city or town and that
44 specifies the use of such land is for a master planned development.

1 34. Enter into an intergovernmental agreement with a presiding judge of
2 the juvenile court to implement a law related education program as defined in
3 section 15-154. The presiding judge of the juvenile court may assign
4 juvenile probation officers to participate in a law related education program
5 in any school district in the county. The cost of juvenile probation
6 officers who participate in the program implemented pursuant to this
7 paragraph shall be funded by the school district.

8 35. OFFER TO SELL OUTDATED LEARNING MATERIALS, EDUCATIONAL EQUIPMENT OR
9 FURNISHINGS AT A POSTED PRICE COMMENSURATE WITH THE VALUE OF THE ITEMS TO
10 PUPILS WHO ARE CURRENTLY ENROLLED IN THAT SCHOOL DISTRICT BEFORE THOSE
11 MATERIALS ARE OFFERED FOR PUBLIC SALE.

12 36. IF THE SCHOOL DISTRICT IS A SMALL SCHOOL DISTRICT AS DEFINED IN
13 SECTION 15-901, AND IF PERMITTED BY FEDERAL LAW, OPT OUT OF FEDERAL GRANT
14 OPPORTUNITIES IF THE GOVERNING BOARD DETERMINES THAT THE FEDERAL REQUIREMENTS
15 IMPOSE UNDULY BURDENSOME REPORTING REQUIREMENTS.

16 Sec. 14. Section 15-342, Arizona Revised Statutes, as amended by Laws
17 2010, chapter 332, section 10, is amended to read:

18 15-342. Discretionary powers

19 The governing board may:

20 1. Expel pupils for misconduct.

21 2. Exclude from grades one through eight children under six years of
22 age.

23 3. Make such separation of groups of pupils as it deems advisable.

24 4. Maintain such special schools during vacation as deemed necessary
25 for the benefit of the pupils of the school district.

26 5. Permit a superintendent or principal or representatives of the
27 superintendent or principal to travel for a school purpose, as determined by
28 a majority vote of the board. The board may permit members and members-elect
29 of the board to travel within or without the school district for a school
30 purpose and receive reimbursement. Any expenditure for travel and
31 subsistence pursuant to this paragraph shall be as provided in title 38,
32 chapter 4, article 2. The designated post of duty referred to in section
33 38-621 shall be construed, for school district governing board members, to be
34 the member's actual place of residence, as opposed to the school district
35 office or the school district boundaries. Such expenditures shall be a
36 charge against the budgeted school district funds. The governing board of a
37 school district shall prescribe procedures and amounts for reimbursement of
38 lodging and subsistence expenses. Reimbursement amounts shall not exceed the
39 maximum amounts established pursuant to section 38-624, subsection C.

40 6. Construct or provide in rural districts housing facilities for
41 teachers and other school employees which the board determines are necessary
42 for the operation of the school.

43 7. Sell or lease to the state, a county, a city, ANOTHER SCHOOL
44 DISTRICT or a tribal government agency any school property required for a

1 public purpose, provided the sale or lease of the property will not affect
2 the normal operations of a school within the school district.

3 8. Annually budget and expend funds for membership in an association
4 of school districts within this state.

5 9. Enter into leases or lease-purchase agreements for school buildings
6 or grounds, or both, as lessor or as lessee, for periods of less than five
7 years subject to voter approval for construction of school buildings as
8 prescribed in section 15-341, subsection A, paragraph 7.

9 10. Subject to chapter 16 of this title, sell school sites or enter
10 into leases or lease-purchase agreements for school buildings and grounds, as
11 lessor or as lessee, for a period of five years or more, but not to exceed
12 ninety-nine years, if authorized by a vote of the school district electors in
13 an election called by the governing board as provided in section 15-491,
14 except that authorization by the school district electors in an election is
15 not required if one of the following requirements is met:

16 (a) The market value of the school property is less than fifty
17 thousand dollars.

18 (b) The buildings and sites are completely funded with monies
19 distributed by the school facilities board.

20 (c) The transaction involves the sale of improved or unimproved
21 property pursuant to an agreement with the school facilities board in which
22 the school district agrees to sell the improved or unimproved property and
23 transfer the proceeds of the sale to the school facilities board in exchange
24 for monies from the school facilities board for the acquisition of a more
25 suitable school site. For a sale of property acquired by a school district
26 prior to July 9, 1998, a school district shall transfer to the school
27 facilities board that portion of the proceeds that equals the cost of the
28 acquisition of a more suitable school site. If there are any remaining
29 proceeds after the transfer of monies to the school facilities board, a
30 school district shall only use those remaining proceeds for future land
31 purchases approved by the school facilities board, or for capital
32 improvements not funded by the school facilities board for any existing or
33 future facility.

34 (d) The transaction involves the sale of improved or unimproved
35 property pursuant to a formally adopted plan and the school district uses the
36 proceeds of this sale to purchase other property that will be used for
37 similar purposes as the property that was originally sold, provided that the
38 sale proceeds of the improved or unimproved property are used within two
39 years after the date of the original sale to purchase the replacement
40 property. If the sale proceeds of the improved or unimproved property are
41 not used within two years after the date of the original sale to purchase
42 replacement property, the sale proceeds shall be used towards payment of any
43 outstanding bonded indebtedness. If any sale proceeds remain after paying
44 for outstanding bonded indebtedness, or if the district has no outstanding
45 bonded indebtedness, sale proceeds shall be used to reduce the district's

1 primary tax levy. A school district shall not use this subdivision unless
2 all of the following conditions exist:

3 (i) The school district is the sole owner of the improved or
4 unimproved property that the school district intends to sell.

5 (ii) The school district did not purchase the improved or unimproved
6 property that the school district intends to sell with monies that were
7 distributed pursuant to chapter 16 of this title.

8 (iii) The transaction does not violate section 15-341, subsection G.

9 11. Review the decision of a teacher to promote a pupil to a grade or
10 retain a pupil in a grade in a common school or to pass or fail a pupil in a
11 course in high school. The pupil has the burden of proof to overturn the
12 decision of a teacher to promote, retain, pass or fail the pupil. In order
13 to sustain the burden of proof, the pupil shall demonstrate to the governing
14 board that the pupil has mastered the academic standards adopted by the state
15 board of education pursuant to sections 15-701 and 15-701.01. If the
16 governing board overturns the decision of a teacher pursuant to this
17 paragraph, the governing board shall adopt a written finding that the pupil
18 has mastered the academic standards. Notwithstanding title 38, chapter 3,
19 article 3.1, the governing board shall review the decision of a teacher to
20 promote a pupil to a grade or retain a pupil in a grade in a common school or
21 to pass or fail a pupil in a course in high school in executive session
22 unless a parent or legal guardian of the pupil or the pupil, if emancipated,
23 disagrees that the review should be conducted in executive session and then
24 the review shall be conducted in an open meeting. If the review is conducted
25 in executive session, the board shall notify the teacher of the date, time
26 and place of the review and shall allow the teacher to be present at the
27 review. If the teacher is not present at the review, the board shall consult
28 with the teacher before making its decision. Any request, including the
29 written request as provided in section 15-341, the written evidence presented
30 at the review and the written record of the review, including the decision of
31 the governing board to accept or reject the teacher's decision, shall be
32 retained by the governing board as part of its permanent records.

33 12. Provide transportation or site transportation loading and unloading
34 areas for any child or children if deemed for the best interest of the
35 district, whether within or without the district, county or state. **UNLESS**
36 **THE TRANSPORTATION IS MANDATED BY STATE OR FEDERAL LAW, A SCHOOL DISTRICT MAY**
37 **CHARGE PUPILS FOR TRANSPORTATION FOR FIELD TRIPS, ATHLETIC EVENTS AND**
38 **EXTRACURRICULAR ACTIVITIES.**

39 13. Enter into intergovernmental agreements and contracts with school
40 districts or other governing bodies as provided in section 11-952.
41 Intergovernmental agreements and contracts between school districts or
42 between a school district and other governing bodies as provided in section
43 11-952 are exempt from competitive bidding under the procurement rules
44 adopted by the state board of education pursuant to section 15-213.

1 14. Include in the curricula which it prescribes for high schools in
2 the school district career and technical education, vocational education and
3 technology education programs and career and technical, vocational and
4 technology program improvement services for the high schools, subject to
5 approval by the state board of education. The governing board may contract
6 for the provision of career and technical, vocational and technology
7 education as provided in section 15-789.

8 15. Suspend a teacher or administrator from the teacher's or
9 administrator's duties without pay for a period of time of not to exceed ten
10 school days, if the board determines that suspension is warranted pursuant to
11 section 15-341, subsection A, paragraphs 21 and 22.

12 16. Dedicate school property within an incorporated city or town to
13 such city or town or within a county to that county for use as a public
14 right-of-way if both of the following apply:

15 (a) Pursuant to an ordinance adopted by such city, town or county,
16 there will be conferred upon the school district privileges and benefits
17 which may include benefits related to zoning.

18 (b) The dedication will not affect the normal operation of any school
19 within the district.

20 17. Enter into option agreements for the purchase of school sites.

21 18. Donate surplus or outdated learning materials, **EDUCATIONAL**
22 **EQUIPMENT AND FURNISHINGS** to nonprofit community organizations where the
23 governing board determines that the anticipated cost of selling the learning
24 materials, **EDUCATIONAL EQUIPMENT OR FURNISHINGS** equals or exceeds the
25 estimated market value of the materials.

26 19. Prescribe policies for the assessment of reasonable fees for
27 students to use district-provided parking facilities. The fees are to be
28 applied by the district solely against costs incurred in operating or
29 securing the parking facilities. Any policy adopted by the governing board
30 pursuant to this paragraph shall include a fee waiver provision in
31 appropriate cases of need or economic hardship.

32 20. Establish alternative educational programs that are consistent with
33 the laws of this state to educate pupils, including pupils who have been
34 reassigned pursuant to section 15-841, subsection E or F.

35 21. Require a period of silence to be observed at the commencement of
36 the first class of the day in the schools. If a governing board chooses to
37 require a period of silence to be observed, the teacher in charge of the room
38 in which the first class is held shall announce that a period of silence not
39 to exceed one minute in duration will be observed for meditation, and during
40 that time no activities shall take place and silence shall be maintained.

41 22. Require students to wear uniforms.

42 23. Exchange unimproved property or improved property, including school
43 sites, where the governing board determines that the improved property is
44 unnecessary for the continued operation of the school district without
45 requesting authorization by a vote of the school district electors if the

1 governing board determines that the exchange is necessary to protect the
2 health, safety or welfare of pupils or when the governing board determines
3 that the exchange is based on sound business principles for either:

4 (a) Unimproved or improved property of equal or greater value.

5 (b) Unimproved property that the owner contracts to improve if the
6 value of the property ultimately received by the school district is of equal
7 or greater value.

8 24. For common and high school pupils, assess reasonable fees for
9 optional extracurricular activities and programs conducted when the common or
10 high school is not in session, except that no fees shall be charged for
11 pupils' access to or use of computers or related materials. For high school
12 pupils, the governing board may assess reasonable fees for fine arts and
13 vocational education courses and for optional services, equipment and
14 materials offered to the pupils beyond those required to successfully
15 complete the basic requirements of any other course, except that no fees
16 shall be charged for pupils' access to or use of computers or related
17 materials. Fees assessed pursuant to this paragraph shall be adopted at a
18 public meeting after notice has been given to all parents of pupils enrolled
19 at schools in the district and shall not exceed the actual costs of the
20 activities, programs, services, equipment or materials. The governing board
21 shall authorize principals to waive the assessment of all or part of a fee
22 assessed pursuant to this paragraph if it creates an economic hardship for a
23 pupil. For the purposes of this paragraph, "extracurricular activity" means
24 any optional, noncredit, educational or recreational activity which
25 supplements the education program of the school, whether offered before,
26 during or after regular school hours.

27 25. Notwithstanding section 15-341, subsection A, paragraphs 7 and 9,
28 construct school buildings and purchase or lease school sites, without a vote
29 of the school district electors, if the buildings and sites are totally
30 funded from one or more of the following:

31 (a) Monies in the unrestricted capital outlay fund, except that the
32 estimated cost shall not exceed two hundred fifty thousand dollars for a
33 district that utilizes section 15-949.

34 (b) Monies distributed from the school facilities board established by
35 section 15-2001.

36 (c) Monies specifically donated for the purpose of constructing school
37 buildings.

38 Nothing in this paragraph shall be construed to eliminate the requirement for
39 an election to raise revenues for a capital outlay override pursuant to
40 section 15-481 or a bond election pursuant to section 15-491.

41 26. Conduct a background investigation that includes a fingerprint
42 check conducted pursuant to section 41-1750, subsection G for certificated
43 personnel and personnel who are not paid employees of the school district, as
44 a condition of employment. A school district may release the results of a
45 background check to another school district for employment purposes. The

1 school district may charge the costs of fingerprint checks to its
2 fingerprinted employee, except that the school district may not charge the
3 costs of fingerprint checks for personnel who are not paid employees of the
4 school district.

5 27. Unless otherwise prohibited by law, sell advertising as follows:

6 (a) Advertisements shall be age appropriate and not contain promotion
7 of any substance that is illegal for minors such as alcohol, tobacco and
8 drugs or gambling. Advertisements shall comply with the state sex education
9 policy of abstinence.

10 (b) Advertising approved by the governing board for the exterior of
11 school buses may appear only on the sides of the bus in the following areas:

12 (i) The signs shall be below the seat level rub rail and not extend
13 above the bottom of the side windows.

14 (ii) The signs shall be at least three inches from any required
15 lettering, lamp, wheel well or reflector behind the service door or stop
16 signal arm.

17 (iii) The signs shall not extend from the body of the bus so as to
18 allow a handhold or present a danger to pedestrians.

19 (iv) The signs shall not interfere with the operation of any door or
20 window.

21 (v) The signs shall not be placed on any emergency doors.

22 (c) The school district shall establish an advertisement fund that is
23 composed of revenues from the sale of advertising. The monies in an
24 advertisement fund are not subject to reversion.

25 28. Assess reasonable damage deposits to pupils in grades seven through
26 twelve for the use of textbooks, musical instruments, band uniforms or other
27 equipment required for academic courses. The governing board shall adopt
28 policies on any damage deposits assessed pursuant to this paragraph at a
29 public meeting called for this purpose after providing notice to all parents
30 of pupils in grades seven through twelve in the school district. Principals
31 of individual schools within the district may waive the damage deposit
32 requirement for any textbook or other item if the payment of the damage
33 deposit would create an economic hardship for the pupil. The school district
34 shall return the full amount of the damage deposit for any textbook or other
35 item if the pupil returns the textbook or other item in reasonably good
36 condition within the time period prescribed by the governing board. For the
37 purposes of this paragraph, "in reasonably good condition" means the textbook
38 or other item is in the same or a similar condition as it was when the pupil
39 received it, plus ordinary wear and tear.

40 29. Notwithstanding section 15-1105, expend surplus monies in the civic
41 center school fund for maintenance and operations or unrestricted capital
42 outlay, if sufficient monies are available in the fund after meeting the
43 needs of programs established pursuant to section 15-1105.

44 30. Notwithstanding section 15-1143, expend surplus monies in the
45 community school program fund for maintenance and operations or unrestricted

1 capital outlay, if sufficient monies are available in the fund after meeting
2 the needs of programs established pursuant to section 15-1142.

3 31. Adopt guidelines for standardization of the format of the school
4 report cards required by section 15-746 for schools within the district.

5 32. Adopt policies that require parental notification when a law
6 enforcement officer interviews a pupil on school grounds. Policies adopted
7 pursuant to this paragraph shall not impede a peace officer from the
8 performance of the peace officer's duties. If the school district governing
9 board adopts a policy that requires parental notification:

10 (a) The policy may provide reasonable exceptions to the parental
11 notification requirement.

12 (b) The policy shall set forth whether and under what circumstances a
13 parent may be present when a law enforcement officer interviews the pupil,
14 including reasonable exceptions to the circumstances under which a parent may
15 be present when a law enforcement officer interviews the pupil, and shall
16 specify a reasonable maximum time after a parent is notified that an
17 interview of a pupil by a law enforcement officer may be delayed to allow the
18 parent to be present.

19 33. Enter into voluntary partnerships with any party to finance with
20 funds other than school district funds and cooperatively design school
21 facilities that comply with the adequacy standards prescribed in section
22 15-2011 and the square footage per pupil requirements pursuant to section
23 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and
24 location of any such school facility shall be submitted to the school
25 facilities board for approval pursuant to section 15-2041, subsection 0. If
26 the school facilities board approves the design plans and location of any
27 such school facility, the party in partnership with the school district may
28 cause to be constructed and the district may begin operating the school
29 facility before monies are distributed from the school facilities board
30 pursuant to section 15-2041. Monies distributed from the new school
31 facilities fund to a school district in a partnership with another party to
32 finance and design the school facility shall be paid to the school district
33 pursuant to section 15-2041. The school district shall reimburse the party
34 in partnership with the school district from the monies paid to the school
35 district pursuant to section 15-2041, in accordance with the voluntary
36 partnership agreement. Before the school facilities board distributes any
37 monies pursuant to this subsection, the school district shall demonstrate to
38 the school facilities board that the facilities to be funded pursuant to
39 section 15-2041, subsection 0 meet the minimum adequacy standards prescribed
40 in section 15-2011. If the cost to construct the school facility exceeds the
41 amount that the school district receives from the new school facilities fund,
42 the partnership agreement between the school district and the other party
43 shall specify that, except as otherwise provided by the other party, any such
44 excess costs shall be the responsibility of the school district. The school
45 district governing board shall adopt a resolution in a public meeting that an

1 analysis has been conducted on the prospective effects of the decision to
2 operate a new school with existing monies from the school district's
3 maintenance and operations budget and how this decision may affect other
4 schools in the school district. If a school district acquires land by
5 donation at an appropriate school site approved by the school facilities
6 board and a school facility is financed and built on the land pursuant to
7 this paragraph, the school facilities board shall distribute an amount equal
8 to twenty per cent of the fair market value of the land that can be used for
9 academic purposes. The school district shall place the monies in the
10 unrestricted capital outlay fund and increase the unrestricted capital budget
11 limit by the amount of the monies placed in the fund. Monies distributed
12 under this paragraph shall be distributed from the new school facilities fund
13 pursuant to section 15-2041. If a school district acquires land by donation
14 at an appropriate school site approved by the school facilities board and a
15 school facility is financed and built on the land pursuant to this paragraph,
16 the school district shall not receive monies from the school facilities board
17 for the donation of real property pursuant to section 15-2041, subsection F.
18 It is unlawful for:

19 (a) A county, city or town to require as a condition of any land use
20 approval that a landowner or landowners that entered into a partnership
21 pursuant to this paragraph provide any contribution, donation or gift, other
22 than a site donation, to a school district. This subdivision only applies to
23 the property in the voluntary partnership agreement pursuant to this
24 paragraph.

25 (b) A county, city or town to require as a condition of any land use
26 approval that the landowner or landowners located within the geographic
27 boundaries of the school subject to the voluntary partnership pursuant to
28 this paragraph provide any donation or gift to the school district except as
29 provided in the voluntary partnership agreement pursuant to this paragraph.

30 (c) A community facilities district established pursuant to title 48,
31 chapter 4, article 6 to be used for reimbursement of financing the
32 construction of a school pursuant to this paragraph.

33 (d) A school district to enter into an agreement pursuant to this
34 paragraph with any party other than a master planned community party. Any
35 land area consisting of at least three hundred twenty acres that is the
36 subject of a development agreement with a county, city or town entered into
37 pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master
38 planned community. For the purposes of this subdivision, "master planned
39 community" means a land area consisting of at least three hundred twenty
40 acres, which may be noncontiguous, that is the subject of a zoning ordinance
41 approved by the governing body of the county, city or town in which the land
42 is located that establishes the use of the land area as a planned area
43 development or district, planned community development or district, planned
44 unit development or district or other land use category or district that is

1 recognized in the local ordinance of such county, city or town and that
2 specifies the use of such land is for a master planned development.

3 34. Enter into an intergovernmental agreement with a presiding judge of
4 the juvenile court to implement a law related education program as defined in
5 section 15-154. The presiding judge of the juvenile court may assign
6 juvenile probation officers to participate in a law related education program
7 in any school district in the county. The cost of juvenile probation
8 officers who participate in the program implemented pursuant to this
9 paragraph shall be funded by the school district.

10 35. OFFER TO SELL OUTDATED LEARNING MATERIALS, EDUCATIONAL EQUIPMENT OR
11 FURNISHINGS AT A POSTED PRICE COMMENSURATE WITH THE VALUE OF THE ITEMS TO
12 PUPILS WHO ARE CURRENTLY ENROLLED IN THAT SCHOOL DISTRICT BEFORE THOSE
13 MATERIALS ARE OFFERED FOR PUBLIC SALE.

14 36. IF THE SCHOOL DISTRICT IS A SMALL SCHOOL DISTRICT AS DEFINED IN
15 SECTION 15-901, AND IF PERMITTED BY FEDERAL LAW, OPT OUT OF FEDERAL GRANT
16 OPPORTUNITIES IF THE GOVERNING BOARD DETERMINES THAT THE FEDERAL REQUIREMENTS
17 IMPOSE UNDULY BURDENSOME REPORTING REQUIREMENTS.

18 Sec. 15. Repeal

19 Section 15-342, Arizona Revised Statutes, as amended by Laws 2010,
20 chapter 117, section 6, is repealed.

21 Sec. 16. Section 15-491, Arizona Revised Statutes, is amended to read:

22 15-491. Elections on school property; exceptions

23 A. The governing board of a school district may, and on petition of
24 fifteen per cent of the school electors as shown by the poll list at the last
25 preceding annual school election shall, call an election for the following
26 purposes:

27 1. To locate or change the location of school buildings.

28 2. To purchase or sell school sites or buildings or sell school sites
29 pursuant to section 15-342 or to build school buildings, but the
30 authorization by vote of the school district shall not necessarily specify
31 the site to be purchased.

32 3. To decide whether the bonds of the school district shall be issued
33 and sold for the purpose of raising money for purchasing or leasing school
34 lots, for building or renovating school buildings, for supplying school
35 buildings with furniture, equipment and technology, for improving school
36 grounds, for purchasing pupil transportation vehicles or for liquidating any
37 indebtedness already incurred for such purposes. Bonds issued for furniture,
38 equipment and technology, other than fixtures, shall mature no later than the
39 July 1 that follows the fifth year after the bonds were issued. A school
40 district shall not issue class B bonds until the school district has
41 obligated in contract the entire proceeds of any class A bonds issued by the
42 school district. The total amount of class A and class B bonds issued by a
43 school district shall not exceed the debt limitations prescribed in article
44 IX, sections 8 and 8.1, Constitution of Arizona.

1 4. To lease for five or more years, as lessor or as lessee, school
2 buildings or grounds. Approval by a majority of the school district electors
3 voting authorizes the governing board to negotiate for and enter into a
4 lease. The ballot shall list the school buildings or grounds for which a
5 lease is sought. If the governing board does not enter into a lease of five
6 or more years of the school buildings or grounds listed on the ballot within
7 five years of the date of the election and the board continues to seek such a
8 lease, the governing board shall call a special election to reauthorize the
9 board to negotiate for and to enter into a lease of five or more years.

10 5. TO CHANGE THE LIST OF CAPITAL PROJECTS OR THE PURPOSES AUTHORIZED
11 BY PRIOR VOTER APPROVAL TO ISSUE BONDS.

12 6. TO EXTEND FROM SIX TO TEN YEARS THE TIME PERIOD TO ISSUE CLASS B
13 BONDS AUTHORIZED IN 2009 OR EARLIER. ELECTIONS PURSUANT TO THIS PARAGRAPH
14 MAY NOT BE HELD LATER THAN THE SIXTH NOVEMBER AFTER THE ELECTION APPROVING
15 THE ISSUANCE OF THE BONDS.

16 B. No petition shall be required for the holding of the first election
17 to be held in a joint common school district for any of the purposes
18 specified in subsection A of this section. The notice of election required
19 by section 15-492 shall be published in each of the counties that comprise
20 the joint common school district. The certification of election results
21 required by section 15-493 shall be made to the board of supervisors of the
22 jurisdictional county.

23 C. When the election is called to determine whether or not bonds of
24 the school district shall be issued and sold for the purposes enumerated in
25 the call for the election, the question shall be submitted to the vote of the
26 qualified electors of the school district as defined in section 15-401 and
27 subject to section 15-402.

28 D. The governing board shall order the election to be held in the
29 manner prescribed in title 35, chapter 3, article 3. If a petition for an
30 election has been filed with the governing board as provided in subsection A
31 of this section, the board shall act on the petition within sixty days by
32 ordering the election to be held as provided in this subsection. If a school
33 district bond election is scheduled for the same date a school district will
34 hold an override election, the governing body shall deliver a copy of the
35 notice of election and ballot to the county school superintendent who shall
36 include the notice of election and ballot with the information report and
37 ballot prepared for the override election. Mailing of the information
38 required for both the override and bond elections shall constitute compliance
39 with the notice provisions of this section.

40 E. The elections to be held pursuant to this section shall only be
41 held on dates prescribed by section 16-204, except that elections held
42 pursuant to this section to decide whether class B bonds shall be issued, or
43 any other obligation incurred that will require the assessment of secondary
44 property taxes, shall only be held on the first Tuesday after the first
45 Monday of November.

1 F. Subsection A, paragraph 2 of this section does not apply to the
2 sale of school property if the market value of the school property is less
3 than fifty thousand dollars.

4 G. Bond counsel fees, financial advisory fees, printing costs and
5 paying agent and registrar fees for bonds issued pursuant to an election
6 under this section shall be paid from either the amount authorized by the
7 qualified electors of the school district or current operating funds. Bond
8 election expenses shall be paid from current operating funds only.

9 H. For any election conducted to decide whether class B bonds will be
10 issued pursuant to this section:

11 1. Except as provided in paragraph 2 of this subsection, the ballot
12 shall include the following statement:

13 The capital improvements that are proposed to be funded
14 through this bond issuance are to exceed the state standards and
15 are in addition to monies provided by the state.

16 _____ school district is proposing to issue class B
17 general obligation bonds totaling \$_____ to fund capital
18 improvements over and above those funded by the state. Under
19 the students first capital funding system, _____ school
20 district is entitled to state monies for building renewal, new
21 construction and renovation of school buildings in accordance
22 with state law.

23 2. For a school district that is a joint technical education district,
24 the ballot shall include the following statement:

25 _____, a joint technical education district, is
26 proposing to issue class B general obligation bonds totaling
27 \$_____ to fund capital improvements at a campus owned or
28 operated and maintained by the joint technical education
29 district.

30 3. The ballot shall contain the words "bond approval, yes" and "bond
31 approval, no", and the voter shall signify the voter's desired choice.

32 4. The ballot shall also contain the phrase "the issuance of these
33 bonds will result in an annual levy of property taxes sufficient to pay the
34 debt on the bonds".

35 5. At least eighty-five days before the election, the school district
36 shall submit proposed ballot language to the director of the Arizona
37 legislative council. The director of the Arizona legislative council shall
38 review the proposed ballot language to determine whether the proposed ballot
39 language complies with this section. If the director of the Arizona
40 legislative council determines that the proposed ballot language does not
41 comply with this section, the director, within ten calendar days of the
42 receipt of the proposed ballot language, shall notify the school district of
43 the director's objections and the school district shall resubmit revised
44 ballot language to the director for approval.

1 6. No later than thirty-five days before a class B bond election
2 conducted pursuant to this section, the school district shall mail a
3 publicity pamphlet to each household that contains a qualified elector in the
4 school district. The publicity pamphlet shall contain, at a minimum, the
5 following information:

6 (a) An executive summary of the school district's most recent capital
7 plan submitted to the school facilities board.

8 (b) A complete list of each proposed capital improvement that will be
9 funded with the proceeds of the bonds and a description of the proposed cost
10 of each improvement, including a separate aggregation of capital improvements
11 for administrative purposes as defined by the school facilities board.

12 (c) The tax rate associated with each of the proposed capital
13 improvements and the estimated cost of each capital improvement for the owner
14 of a single family home that is valued at one hundred thousand dollars.

15 I. For any election conducted to decide whether impact aid revenue
16 bonds shall be issued pursuant to this section:

17 1. The ballot shall include the following statement:

18 The capital improvements that are proposed to be funded
19 through this bond issuance are to exceed the state standards and
20 are in addition to monies provided by the state.

21 _____ school district is proposing to issue impact
22 aid revenue bonds totaling \$_____ to fund capital
23 improvements over and above those funded by the state. Under
24 the students first capital funding system, _____ school
25 district is entitled to state monies for building renewal, new
26 construction and renovation of school buildings in accordance
27 with state law.

28 2. The ballot shall contain the words "bond approval, yes" and "bond
29 approval, no", and the voter shall signify the voter's desired choice.

30 3. At least eighty-five days before the election, the school district
31 shall submit proposed ballot language to the director of the legislative
32 council. The director of the legislative council shall review the proposed
33 ballot language to determine whether the proposed ballot language complies
34 with this section. If the director of the legislative council determines
35 that the proposed ballot language does not comply with this section, the
36 director, within ten calendar days of the receipt of the proposed ballot
37 language, shall notify the school district of the director's objections and
38 the school district shall resubmit revised ballot language to the director
39 for approval.

40 4. No later than thirty-five days before an impact aid revenue bond
41 election conducted pursuant to this section, the school district shall mail a
42 publicity pamphlet to each household that contains a qualified elector in the
43 school district. The publicity pamphlet shall contain, at a minimum, the
44 following information:

1 (a) The date of the election.

2 (b) The voter's polling place and the times it is open.

3 (c) An executive summary of the school district's most recent capital
4 plan submitted to the school facilities board.

5 (d) A complete list of each proposed capital improvement that will be
6 funded with the proceeds of the bonds and a description of the proposed cost
7 of each improvement, including a separate aggregation of capital improvements
8 for administrative purposes as defined by the school facilities board.

9 (e) A statement that impact aid revenue bonds will be fully funded by
10 aid that the school district receives from the federal government and do not
11 require a levy of taxes in the district.

12 (f) A statement that if the bonds are approved, the first priority for
13 the impact aid will be to pay the debt service for the bonds and that other
14 uses of the monies are prohibited until the debt service obligation is met.

15 (g) A statement that if the impact aid revenue bonds are approved, the
16 school district shall not issue or sell class B bonds while the district has
17 existing indebtedness from impact aid revenue bonds, except for bonds issued
18 to refund any bonds issued by the board.

19 J. If the voters approve the issuance of school district class B bonds
20 or impact aid revenue bonds, the school district shall not use the bond
21 proceeds for any purposes other than the proposed capital improvements listed
22 in the publicity pamphlet, except that up to ten per cent of the bond
23 proceeds may be used for general capital expenses, including cost overruns of
24 proposed capital improvements. **THE PROPOSED CAPITAL IMPROVEMENTS MAY BE
25 CHANGED BY A SUBSEQUENT ELECTION AS PROVIDED BY THIS SECTION.**

26 K. Each school district that issues bonds under this section is
27 required to hold a public meeting each year between September 1 and October
28 31, until the bond proceeds are spent, at which an update of the progress of
29 capital improvements financed through bonding is discussed and at which the
30 public is permitted an opportunity to comment. At a minimum, the update
31 shall include a comparison of the current status and the original projections
32 on the construction of capital improvements, the costs of capital
33 improvements and the costs of capital improvements in progress or completed
34 since the prior meeting and the future capital bonding plans of the school
35 district. The school district shall include in the public meeting a
36 discussion of the school district's use of state capital aid and
37 voter-approved capital overrides in funding capital improvements, if any.

38 **L. IF AN ELECTION IS HELD TO CHANGE THE PURPOSE OR LIST OF CAPITAL
39 PROJECTS AUTHORIZED BY PRIOR VOTER APPROVAL TO ISSUE BONDS PURSUANT TO
40 SUBSECTION A, PARAGRAPH 5 OF THIS SECTION, THE FOLLOWING REQUIREMENTS APPLY:**

41 **1. THE ELECTION MAY BE HELD ONLY ON THE FIRST TUESDAY AFTER THE FIRST
42 MONDAY IN NOVEMBER.**

1 2. NO LATER THAN THIRTY-FIVE DAYS BEFORE THE ELECTION, THE SCHOOL
2 DISTRICT SHALL MAIL A PUBLICITY PAMPHLET TO EACH HOUSEHOLD IN THE SCHOOL
3 DISTRICT THAT CONTAINS A QUALIFIED ELECTOR. THE PUBLICITY PAMPHLET SHALL
4 CONTAIN, AT A MINIMUM, THE FOLLOWING INFORMATION:

5 (a) THE DATE OF THE ELECTION.

6 (b) THE VOTER'S POLLING PLACE AND THE TIMES IT IS OPEN.

7 (c) A STATEMENT AS TO WHY THE ELECTION WAS CALLED.

8 (d) A COMPLETE LIST OF EACH PROPOSED CAPITAL IMPROVEMENT THAT IS IN
9 ADDITION TO THE INITIAL CAPITAL IMPROVEMENTS PRESENTED IN THE PUBLICITY
10 PAMPHLET WHEN THE BONDS WERE APPROVED AND THE PROPOSED COST OF EACH
11 IMPROVEMENT, INCLUDING A SEPARATE AGGREGATION OF CAPITAL IMPROVEMENTS FOR
12 ADMINISTRATIVE PURPOSES AS DEFINED BY THE SCHOOL FACILITIES BOARD.

13 (e) A COMPLETE LIST OF EACH CAPITAL IMPROVEMENT THAT WAS PRESENTED IN
14 THE PUBLICITY PAMPHLET WHEN THE BONDS WERE INITIALLY APPROVED AND THAT IS
15 PROPOSED TO BE ELIMINATED OR TO HAVE ITS COST REDUCED, AND THE PROPOSED COST
16 OF EACH IMPROVEMENT, INCLUDING A SEPARATE AGGREGATION OF CAPITAL IMPROVEMENTS
17 FOR ADMINISTRATIVE PURPOSES AS DEFINED BY THE SCHOOL FACILITIES BOARD.

18 (f) ARGUMENTS FOR AND AGAINST THE PROPOSED CHANGE, IF SUBMITTED, AS
19 PROVIDED BY SECTION 15-481, SUBSECTION B, PARAGRAPH 9.

20 3. THE BALLOT SHALL CONTAIN THE WORDS "CHANGE CAPITAL IMPROVEMENTS,
21 YES" AND "CHANGE CAPITAL IMPROVEMENTS, NO", AND THE VOTER SHALL SIGNIFY THE
22 VOTER'S DESIRED CHOICE.

23 4. IF THE ELECTION IS TO ADD A PURPOSE THAT WAS NOT ON THE INITIAL
24 BALLOT, THE BALLOT SHALL LIST THE PURPOSE THAT IS PROPOSED TO BE ADDED.

25 M. IF AN ELECTION IS HELD TO EXTEND THE TIME TO ISSUE BONDS PURSUANT
26 TO SUBSECTION A, PARAGRAPH 6 OF THIS SECTION, THE FOLLOWING REQUIREMENTS
27 APPLY:

28 1. THE ELECTION MAY BE HELD ONLY ON THE FIRST TUESDAY AFTER THE FIRST
29 MONDAY IN NOVEMBER.

30 2. NO LATER THAN THIRTY-FIVE DAYS BEFORE THE ELECTION, THE SCHOOL
31 DISTRICT SHALL MAIL A PUBLICITY PAMPHLET TO EACH HOUSEHOLD IN THE SCHOOL
32 DISTRICT THAT CONTAINS A QUALIFIED ELECTOR. THE PUBLICITY PAMPHLET SHALL
33 CONTAIN, AT A MINIMUM, THE FOLLOWING INFORMATION:

34 (a) THE DATE OF THE ELECTION.

35 (b) THE VOTER'S POLLING PLACE AND THE TIMES IT IS OPEN.

36 (c) A STATEMENT AS TO WHY THE ELECTION WAS CALLED.

37 (d) ARGUMENTS FOR AND AGAINST THE PROPOSED CHANGE, IF SUBMITTED, AS
38 PROVIDED IN SECTION 15-481, SUBSECTION B, PARAGRAPH 9.

39 3. THE BALLOT SHALL CONTAIN THE WORDS "EXTEND TIME TO ISSUE BONDS,
40 YES" AND "EXTEND TIME TO ISSUE BONDS, NO", AND THE VOTER SHALL SIGNIFY THE
41 VOTER'S DESIRED CHOICE.

1 Sec. 17. Section 15-756.02, Arizona Revised Statutes, is amended to
2 read:

3 15-756.02. School districts and charter schools: English
4 language learner models: adoption and
5 implementation

6 A. Each school district governing board and each governing body of a
7 charter school shall select one or more of the task force approved models for
8 structured English immersion for implementation on a school by school basis.

9 B. If a school district or charter school wants to adopt an English
10 language learner program that is not based on a model adopted by the task
11 force, the school district or charter school shall first submit the proposed
12 program along with supporting documentation regarding the expected outcomes
13 of the program on the district's or charter school's English language learner
14 students to the task force for approval.

15 C. On receipt of a proposed program from a school district or charter
16 school, the task force may do one of the following:

17 1. Approve the proposed program.

18 2. Provide limited approval subject to specific stipulations
19 prescribed by the state board.

20 3. Reject the proposed program and identify a model approved by the
21 task force for the school district or charter school to adopt.

22 D. School districts and charter schools shall include a copy of the
23 adopted English language learner program in the ~~annual~~ report required in
24 section 15-756.10.

25 Sec. 18. Section 15-756.10, Arizona Revised Statutes, is amended to
26 read:

27 15-756.10. Reporting

28 The office of English language acquisition services in the department
29 of education shall:

30 1. Require each school district and charter school to ~~annually~~
31 **BIENNIALY** submit a report to the department of education that includes the
32 following information identified by grade level and by school:

33 (a) The total number of pupils who are classified as English language
34 learners as verified by the student accountability information system
35 established by section 15-1041.

36 (b) The number of pupils who are classified as English language
37 learners for the first time as verified by the student accountability
38 information system established by section 15-1041.

39 (c) The number of English language learners who achieved English
40 proficiency in the past academic year and who have been reclassified as
41 English proficient as verified by the student accountability information
42 system established by section 15-1041.

43 (d) The number of pupils who are enrolled in each type of language
44 acquisition program offered by the school district or charter school as

1 verified by the student accountability information system established by
2 section 15-1041.

3 (e) If requested by the department of education, the test data used to
4 determine English proficiency.

5 2. Determine the mobility of English language learners within the same
6 school district and the mobility of English language learners to other school
7 districts and charter schools through the student accountability information
8 system established by section 15-1041.

9 3. Submit ~~an annual~~ A BIENNIAL report to the joint legislative budget
10 committee that includes an itemized list of all federal monies received by
11 the department for English language learners, a list of how much of these
12 monies were distributed to school districts on a district by district basis
13 and the purposes for which these federal monies are designated. The
14 department shall submit a copy of this report to the secretary of state ~~and~~
15 ~~the director of the Arizona state library, archives and public records.~~

16 4. Submit ~~an annual~~ A BIENNIAL report to the governor, the president
17 of the senate, the speaker of the house of representatives and the state
18 board of education that includes a detailed analysis of whether and to what
19 extent pupils are benefiting academically from compensatory instruction as
20 defined in section 15-756.11 and a comparison of the academic achievement of
21 pupils before and after receiving compensatory instruction as defined in
22 section 15-756.11. The department shall submit a copy of this report to the
23 secretary of state ~~and the director of the Arizona state library, archives~~
24 ~~and public records.~~

25 5. Present a detailed ~~annual~~ BIENNIAL summary of all English language
26 learner programs and funding at a public meeting of the state board of
27 education.

28 6. Present a summary of information relating to the demonstrated
29 success of schools and school districts at achieving English proficiency for
30 English language learners.

31 Sec. 19. Section 15-914, Arizona Revised Statutes, is amended to read:
32 15-914. Financial and compliance audits

33 A. The governing board of a school district that is required to comply
34 with the single audit act amendments of 1996 (P.L. 104-156; 110 Stat. 1396;
35 31 United States Code sections 7501 through 7507) shall contract for at least
36 annual financial and compliance audits of financial transactions and accounts
37 subject to the single audit act amendments of 1996 and kept by or for the
38 school district. ~~Beginning with fiscal year 2003-2004,~~ The governing board
39 of a school district that is not required to comply with the single audit act
40 and that has adopted an expenditure budget of two million dollars or more for
41 the maintenance and operation fund pursuant to section 15-905 shall contract
42 for an annual financial statement audit. ~~Beginning with fiscal year~~
43 ~~2004-2005,~~ The governing board of a school district that is not required to
44 comply with the single audit act and that has adopted an expenditure budget
45 of less than two million dollars but more than seven hundred thousand dollars

1 for the maintenance and operation fund pursuant to section 15-905 shall
2 contract for a biennial financial statement audit. An independent certified
3 public accountant shall conduct the audit in accordance with generally
4 accepted governmental auditing standards. To the extent permitted by federal
5 law, a school district that is required to participate in an annual audit
6 pursuant to this subsection may convert to a biennial audit schedule if the
7 previous annual audit did not contain any significant negative findings. If
8 a biennial audit of a school district conducted pursuant to this subsection
9 contains any significant negative findings, the school district shall convert
10 back to an annual audit schedule. If a school district is required to
11 convert back to an annual audit schedule pursuant to this subsection because
12 of significant negative findings, the school district may subsequently
13 convert to a biennial audit schedule if the previous two annual audits did
14 not contain any significant negative findings. For the purposes of this
15 subsection, "significant negative finding" means a finding that results in
16 the issuance of a letter of noncompliance from the auditor general.

17 B. The governing board of a charter school that is required to comply
18 with the single audit act amendments of 1996 shall contract for an annual
19 financial and compliance audit of financial transactions and accounts subject
20 to the single audit act amendments of 1996 and kept by or for the charter
21 school. IF PERMITTED BY FEDERAL LAW, A CHARTER SCHOOL MAY CONVERT TO A
22 BIENNIAL AUDIT SCHEDULE IF THE PREVIOUS ANNUAL AUDIT CONDUCTED PURSUANT TO
23 THIS SUBSECTION DID NOT CONTAIN ANY SIGNIFICANT NEGATIVE FINDINGS AND THE
24 CHARTER SCHOOL AGREES TO CONTRACT WITH A DIFFERENT AUDITOR AT LEAST ONCE
25 EVERY SIX YEARS.

26 C. A charter school that is not subject to the single audit act
27 amendments of 1996 shall contract for at least an annual financial statement
28 audit conducted in accordance with generally accepted governmental auditing
29 standards. An independent certified public accountant shall conduct the
30 audit. IF PERMITTED BY FEDERAL LAW, A CHARTER SCHOOL MAY CONVERT TO A
31 BIENNIAL AUDIT SCHEDULE IF THE PREVIOUS ANNUAL AUDIT CONDUCTED PURSUANT TO
32 THIS SUBSECTION DID NOT CONTAIN ANY SIGNIFICANT NEGATIVE FINDINGS AND THE
33 CHARTER SCHOOL AGREES TO CONTRACT WITH A DIFFERENT AUDITOR AT LEAST ONCE
34 EVERY SIX YEARS.

35 D. For all audits referred to in subsections A, B and C of this
36 section, the independent certified public accountant shall submit a uniform
37 system of financial records compliance questionnaire to the auditor general
38 with the applicable audit reports.

39 E. Contracts for all financial and compliance audits and financial
40 statement audits and the completed audits shall be approved by the auditor
41 general as provided in section 41-1279.21. Contracts for all financial and
42 compliance audits and financial statement audits shall comply with the rules
43 for competitive sealed proposals as prescribed by the state board of
44 education in section 15-213.

1 F. If the school district or charter school will incur costs of
2 financial and compliance audits for the budget year, the governing board of a
3 school district or the governing body of the charter school may increase its
4 base support level for the budget year by an amount equal to the amount
5 expended for the district's or charter school's financial and compliance
6 audits in the year before the current year, increased by the growth rate as
7 prescribed by law, subject to appropriation. In determining the amount
8 expended for the district's or charter school's financial and compliance
9 audits, the school district or charter school shall include only the portion
10 of the audit that must be paid from monies other than federal monies. The
11 department of education and the auditor general shall prescribe a method for
12 determining the increase in the base support level and shall include in the
13 maintenance and operation section of the budget format, as provided in
14 section 15-903, a separate line for financial and compliance audits
15 expenditures.

16 G. ~~Beginning in fiscal year 2003-2004,~~ Every audit contract shall
17 include a systematic review of average daily membership, as defined in
18 section 15-901, using methodology that is consistent with guidelines
19 established by the auditor general. The auditor general shall consider cost
20 when establishing guidelines pursuant to this subsection and, to the extent
21 possible, shall attempt to minimize the cost of the review. The purpose of
22 the review is to determine whether the average daily membership reported by
23 the charter school or school district is in compliance with the laws of this
24 state and the uniform systems of financial records for charter schools and
25 school districts.

26 Sec. 20. Section 15-991, Arizona Revised Statutes, is amended to read:
27 15-991. Annual estimate by county school superintendent of
28 monies for ensuing year

29 A. The county school superintendent, not later than ~~August 1~~ **THE FIFTH**
30 **DAY AFTER THE BOARD OF SUPERVISORS HAS ADOPTED TAX RATES** each year, shall
31 file in writing with the governing board of each school district in the
32 county, the board of supervisors and the property tax oversight commission
33 the superintendent's estimate of the amount of school monies required by each
34 school district for the ensuing year, based on the budgets adopted by the
35 governing boards of the school districts. The estimate shall contain:

36 1. A statement of the student count of each school district.

37 2. The total amount to be received for the year by each school
38 district from the county school fund and the special county school reserve
39 fund.

40 3. The projected ending cash balance from the previous year adjusted
41 for encumbrances and payables for each school district as provided by the
42 school district and as certified by the president of the school district
43 governing board. A governing board may delegate to a superintendent, head
44 teacher or business manager the authority to certify the projected cash
45 balance.

1 4. The anticipated interest earnings for each school district.
 2 5. Revenues equal to the amount included in the adopted budget for the
 3 maintenance and operation section of the budget permitted by section 15-947,
 4 subsection C, paragraph 2, subdivision (a), items (ii), (iii), (iv), (v) and
 5 (vi) and subdivision (d). The county school superintendent shall subtract
 6 from each school district's budgeted expenditures the total amount of
 7 estimated revenues including the projected ending cash balance from the
 8 previous year adjusted for encumbrances and payables in order to estimate the
 9 additional amounts needed for each school district from the primary property
 10 tax and the secondary property tax. The county school superintendent shall
 11 certify such amounts to the board of supervisors and the property tax
 12 oversight commission in writing at the time of filing the estimate. When
 13 estimating the additional amount needed from the primary property tax for a
 14 school district that is not eligible for any equalization assistance as
 15 provided in section 15-971, the county school superintendent shall include
 16 the school district governing board's estimate of the increase in the revenue
 17 control limit as prescribed by section 15-948 for the applicable year, except
 18 that the percentage increase in average daily membership used to compute the
 19 estimated increase in the revenue control limit may not exceed the average of
 20 the percentage increase in average daily membership in the three years before
 21 the year for which the estimate is made.
 22 B. The county school superintendent shall recompute equalization
 23 assistance for education for each school district as provided in section
 24 15-971, subsection A using the property values provided by the county
 25 assessor as provided in section 42-17052. The county school superintendent
 26 shall certify in writing the amount of equalization assistance for education
 27 and the amount needed for each school district from the primary property tax
 28 to the board of supervisors and the property tax oversight commission on or
 29 before the third day ~~prior to~~ BEFORE the day the board of supervisors is
 30 required to levy school district taxes as provided in section 15-992.
 31 C. The county school superintendent shall compute the additional
 32 amount to be levied as provided in section 15-992, subsection B, using the
 33 property values provided in section 42-17052. The county school
 34 superintendent shall certify in writing the additional amount to be levied to
 35 the county board of supervisors and the property tax oversight commission on
 36 or before the third day ~~prior to~~ BEFORE the day the board of supervisors is
 37 required to levy school district taxes as provided in section 15-992.
 38 D. On or before September 1, the governing board of a school district
 39 shall file with the county school superintendent an estimate of the amount of
 40 title VIII of the elementary and secondary education act of 1965 monies it is
 41 eligible to receive during the current year. On or before June 1, the
 42 governing board shall file with the county school superintendent and the
 43 superintendent of public instruction a statement of the actual amount of
 44 title VIII of the elementary and secondary education act of 1965 monies it

1 received during the current year. This subsection does not apply to
2 accommodation schools.

3 E. The department may collect any other similar or related information
4 from school districts that the department may determine is necessary to carry
5 out the purposes of this section.

6 Sec. 21. Section 15-2031, Arizona Revised Statutes, is amended to
7 read:

8 15-2031. Building renewal fund; definitions

9 A. A building renewal fund is established consisting of monies
10 appropriated by the legislature. The school facilities board shall
11 administer the fund and distribute monies to school districts for the purpose
12 of maintaining the adequacy of existing school facilities. Monies in the
13 fund are continuously appropriated and are exempt from the provisions of
14 section 35-190 relating to lapsing of appropriations.

15 B. The school facilities board shall inventory and inspect all school
16 buildings in this state in order to develop a database to administer the
17 building renewal formula. The database shall include the student capacity of
18 the building as determined by the school facilities board. The board shall
19 distribute monies from the building renewal fund to school districts in an
20 amount computed pursuant to subsection I of this section. A school district
21 that receives monies from the building renewal fund shall use the monies
22 first for any projects that fall below the minimum school facility adequacy
23 guidelines, as adopted by the school facilities board pursuant to section
24 15-2011, and that are part of any buildings in the database and second for
25 any other projects that are part of any buildings owned by the school
26 district for any of the following:

- 27 1. Major renovations and repairs of a building.
- 28 2. Upgrading systems and areas that will maintain or extend the useful
29 life of the building.
- 30 3. Infrastructure costs.
- 31 4. Relocation and placement of portable and modular buildings.

32 C. Monies received from the building renewal fund shall be used for
33 primary projects, unless only secondary projects exist.

34 D. Notwithstanding subsections B and C of this section, school
35 districts shall use building renewal monies on secondary projects to comply
36 with building, health, fire or safety codes. Before spending building
37 renewal monies on secondary projects to comply with building, health, fire or
38 safety codes, the school facilities board shall approve the projects.

39 E. Monies received from the building renewal fund shall not be used
40 for any of the following purposes:

- 41 1. New construction.
- 42 2. Remodeling interior space for aesthetic or preferential reasons.
- 43 3. Exterior beautification.
- 44 4. Demolition.

1 5. The purchase of soft capital items pursuant to section 15-962,
2 subsection D.

3 6. Routine maintenance except as provided in section 15-2002,
4 subsection K and subsection L of this section.

5 F. The school facilities board shall maintain the building renewal
6 database and use the database for the computation of the building renewal
7 formula distributions. The board shall ensure that the database is updated
8 on at least an annual basis to reflect changes in the ages and value of
9 school buildings. The facilities listed in the database shall include only
10 those buildings that are owned by school districts that are required to meet
11 academic standards. Each school district shall **BIENNIALLY** report to the
12 school facilities board no later than October 15 ~~of each year~~ the number and
13 type of school buildings owned by the district, the square footage of each
14 building, the age of each building, the nature of any renovations completed
15 and the cost of any renovations completed. The school facilities board may
16 review or audit, or both, to confirm the information submitted by a school
17 district. If a joint technical education district leases a building from a
18 school district, that building shall not be included in the school district's
19 square footage calculation for the purposes of determining the school
20 district's building renewal distribution pursuant to this section. The board
21 shall adjust the age of each school facility in the database whenever a
22 building is significantly upgraded or remodeled. The age of a building that
23 has been significantly upgraded or remodeled shall be recomputed as follows:

24 1. Divide the cost of the renovation by the building capacity value of
25 the building determined in subsection I, paragraph 3 of this section.

26 2. Multiply the quotient determined in paragraph 1 of this subsection
27 by the currently listed age of the building in the database.

28 3. Subtract the product determined in paragraph 2 of this subsection
29 from the currently listed age of the building in the database, rounded to the
30 nearest whole number. If the result is negative, use zero.

31 G. The school facilities board shall submit electronically an annual
32 report to the president of the senate, the speaker of the house of
33 representatives, the ~~Arizona state library, archives and public records~~
34 **SECRETARY OF STATE** and the governor by October 1 that includes the
35 computation of the amount of monies to be distributed from the building
36 renewal fund for the current fiscal year. The joint committee on capital
37 review shall review the school facilities board's calculation of the building
38 renewal fund distributions. After the joint committee on capital review
39 reviews the distributions computed by the school facilities board, the school
40 facilities board shall distribute the monies from the building renewal fund
41 to school districts in two equal installments in November and May of each
42 year.

43 H. School districts that receive monies from the building renewal fund
44 shall establish a district building renewal fund and shall use the monies in
45 the district building renewal fund only for the purposes prescribed in

1 subsection B of this section. Ending cash balances in a school district's
2 building renewal fund may be used in following fiscal years for building
3 renewal pursuant to subsection B of this section. By October 15 of each
4 year, each school district shall report to the school facilities board the
5 projects funded at each school in the previous fiscal year with monies from
6 the district building renewal fund, including the amount of expenditures
7 dedicated to primary projects and to secondary projects. On receipt of these
8 reports, the school facilities board shall forward this information to the
9 joint legislative budget committee staff and the governor's office of
10 strategic planning and budgeting staff. Each school district shall also
11 report to the school facilities board an accounting of the monies remaining
12 in the district building renewal fund at the end of the previous fiscal year
13 and a comprehensive three year plan that details the proposed use of building
14 renewal monies. If a school district fails to submit the report by October
15 15 or the information required by subsection F of this section, the school
16 facilities board shall withhold building renewal monies from the school
17 district until the school facilities board determines that the school
18 district has complied with the reporting requirement. When the school
19 facilities board determines that the school district has complied with the
20 reporting requirement, the school facilities board shall restore the full
21 amount of withheld building renewal monies to the school district.

22 I. Notwithstanding any other provision of this chapter, if a school
23 district converts space that is listed in the database maintained pursuant to
24 this section to space that will be used for administrative purposes, the
25 school district is responsible for any costs associated with the conversion,
26 maintenance and replacement of that space. The building renewal amount for
27 each school building shall be computed as follows:

28 1. Divide the age of the building as computed pursuant to subsection F
29 of this section by one thousand two hundred seventy-five or, in the case of
30 modular or portable buildings, by two hundred ten.

31 2. Multiply the quotient determined in paragraph 1 of this subsection
32 by 0.67.

33 3. Determine the building capacity value as follows:

34 (a) Multiply the student capacity of the building by the per student
35 square foot capacity established by section 15-2041.

36 (b) Multiply the product determined in subdivision (a) by the cost per
37 square foot established by section 15-2041.

38 4. Multiply the product determined in paragraph 2 of this subsection
39 by the product determined in paragraph 3, subdivision (b) of this subsection.

40 J. If the school facilities board determines that a school district
41 has spent monies from the building renewal fund for purposes other than those
42 prescribed in subsection B of this section, the school facilities board shall
43 notify the superintendent of public instruction. Notwithstanding any other
44 law, the superintendent of public instruction shall withhold a corresponding

1 amount from the monies that would otherwise be due the school district under
2 the capital outlay revenue limit until these monies are repaid.

3 K. A school district is not entitled to receive monies from the
4 building renewal fund for any buildings that are to be replaced with new
5 buildings that are funded with deficiencies corrections monies. The
6 replacement buildings are not eligible to receive building renewal funding
7 until the fiscal year following the completion of the building.

8 L. Notwithstanding subsections B and E of this section, a school
9 district may use eight per cent of the building renewal amount computed
10 pursuant to subsection I of this section for routine preventative
11 maintenance. The board, after consultation with maintenance specialists in
12 school districts, shall provide examples of recommended services that are
13 routine preventative maintenance.

14 M. A school district that uses building renewal monies for routine
15 preventative maintenance shall use the building renewal monies to supplement
16 and not supplant expenditures from other funds for the maintenance of school
17 buildings. The auditor general shall prescribe a method for determining
18 compliance with the requirements of this subsection. A school district, in
19 connection with any audit conducted by a certified public accountant, shall
20 also contract for an independent audit to determine whether the school
21 district used building renewal monies to reduce the school district's
22 existing level of routine preventative maintenance funding. The auditor
23 general may conduct discretionary reviews of a school district that is not
24 required to contract for an independent audit.

25 N. For the purposes of this section:

26 1. "Primary projects" means projects that are necessary for buildings
27 owned by school districts that are required to meet the academic standards
28 listed in the database maintained pursuant to subsection F of this section
29 and that fall below the minimum school facility adequacy guidelines, as
30 adopted by the school facilities board pursuant to section 15-2011.

31 2. "Routine preventative maintenance" means services that are
32 performed on a regular schedule at intervals ranging from four times a year
33 to once every three years and that are intended to extend the useful life of
34 a building system and reduce the need for major repairs.

35 3. "Secondary projects" means all projects that are not primary
36 projects.

37 4. "Student capacity" has the same meaning prescribed in section
38 15-2011.

39 Sec. 22. Section 41-4604, Arizona Revised Statutes, is amended to
40 read:

41 41-4604. Debt reporting by local government

42 A. All local governments shall report to the department of revenue all
43 incurred debt, ~~including date of issue, purpose, original amount, current~~
44 ~~balance, interest paid to date and interest paid in the latest full fiscal~~

1 ~~year according to a schedule determined by the department of revenue AS~~
2 ~~PRESCRIBED BY SECTION 35-501.~~

3 B. The department of revenue shall maintain an online accessible and
4 searchable database and, subject to approval by the joint legislative budget
5 committee, may require additional information not listed in this section.

6 Sec. 23. Section 43-1089.01, Arizona Revised Statutes, is amended to
7 read:

8 43-1089.01. Tax credit; public school fees and contributions;
9 definitions

10 A. A credit is allowed against the taxes imposed by this title for the
11 amount of any fees or cash contributions by a taxpayer or on the taxpayer's
12 behalf pursuant to section 43-401, subsection I during the taxable year to a
13 public school located in this state for the support of extracurricular
14 activities or character education programs ~~OR, FOR TAXABLE YEARS ENDING~~
15 ~~BEFORE DECEMBER 31, 2014, TECHNOLOGY, PROFESSIONAL DEVELOPMENT, SUPPLIES,~~
16 ~~STUDENT ASSESSMENT EXPENSES AND FEES OR LITERACY DEVELOPMENT INCLUDING~~
17 ~~CLASSROOM AND LIBRARY MATERIALS, LITERACY ASSESSMENTS AND LITERACY COACHES~~
18 of the public school, but not exceeding:

19 1. Two hundred dollars for a single individual or a head of household.

20 2. Three hundred dollars in taxable year 2005 for a married couple
21 filing a joint return.

22 3. Four hundred dollars in taxable year 2006 and any subsequent
23 taxable year for a married couple filing a joint return.

24 B. A husband and wife who file separate returns for a taxable year in
25 which they could have filed a joint return may each claim only one-half of
26 the tax credit that would have been allowed for a joint return.

27 C. The credit allowed by this section is in lieu of any deduction
28 pursuant to section 170 of the internal revenue code and taken for state tax
29 purposes.

30 D. If the allowable tax credit exceeds the taxes otherwise due under
31 this title on the claimant's income, or if there are no taxes due under this
32 title, the taxpayer may carry the amount of the claim not used to offset the
33 taxes under this title forward for not more than five consecutive taxable
34 years' income tax liability.

35 E. The site council of the public school that receives contributions
36 that are not designated for a specific purpose shall determine how the
37 contributions are used at the school site. If a charter school does not have
38 a site council, the principal, director or chief administrator of the charter
39 school shall determine how the contributions that are not designated for a
40 specific purpose are used at the school site.

41 F. A public school that receives fees or a cash contribution pursuant
42 to subsection A of this section shall report to the department, in a form
43 prescribed by the department, by February 28 of each year the following
44 information:

1 1. The total number of fee and cash contribution payments received
2 during the previous calendar year.

3 2. The total dollar amount of fees and contributions received during
4 the previous calendar year.

5 3. The total dollar amount of fees and contributions spent by the
6 school during the previous calendar year.

7 G. CONTRIBUTIONS RECEIVED BY A PUBLIC SCHOOL PURSUANT TO THIS SECTION
8 MAY BE USED FOR EXTRACURRICULAR ACTIVITIES AS FOLLOWS:

9 1. NO MORE THAN TWO HUNDRED DOLLARS MAY BE USED ON BEHALF OF ANY
10 SINGLE PUPIL IN THE SAME FISCAL YEAR FOR EXTRACURRICULAR ACTIVITIES CONDUCTED
11 IN ANOTHER STATE.

12 2. NO MORE THAN EIGHT HUNDRED DOLLARS PER PUPIL MAY BE USED ON BEHALF
13 OF ANY SINGLE PUPIL IN THE SAME FISCAL YEAR FOR EXTRACURRICULAR ACTIVITIES
14 CONDUCTED OUTSIDE THE UNITED STATES.

15 3. UNENCUMBERED CONTRIBUTIONS RECEIVED IN ANY PREVIOUS FISCAL YEAR MAY
16 BE USED FOR EXTRACURRICULAR ACTIVITIES IN ANY SUBSEQUENT FISCAL YEAR.

17 ~~G.~~ H. For the purposes of this section:

18 1. "Character education programs" means a program described in section
19 15-719.

20 2. "Extracurricular activities" means school sponsored activities that
21 require enrolled students to pay a fee in order to participate, including
22 fees for:

23 (a) Band uniforms.

24 (b) Equipment or uniforms for varsity athletic activities.

25 (c) Scientific laboratory materials.

26 (d) In-state or out-of-state trips that are solely for competitive
27 events. Extracurricular activities do not include any senior trips or events
28 that are recreational, amusement or tourist activities.

29 3. "Public school" means a school that is part of a school district, a
30 joint technical education district or a charter school.

31 Sec. 24. Classroom site fund: budget capacity amount for fiscal
32 year 2011-2012

33 Notwithstanding section 15-977, subsection G, paragraph 1, Arizona
34 Revised Statutes, for fiscal year 2011-2012 the budget capacity derived from
35 the classroom site fund shall be one hundred twenty dollars per pupil.

36 Sec. 25. Spending level for teacher compensation in fiscal year
37 2012-2013

38 Notwithstanding the nonsupplanting requirements of section 15-977,
39 subsection A, Arizona Revised Statutes, school districts and charter schools
40 that use sources other than classroom site fund monies for teacher
41 compensation in fiscal year 2011-2012 as a result of the adjustment for prior
42 year shortfalls in the fiscal year 2011-2012 per pupil amount as calculated
43 by the joint legislative budget committee pursuant to section 15-977,
44 subsection G, paragraph 1, Arizona Revised Statutes, are not required to

1 maintain this higher level of spending for teacher compensation from other
2 sources in fiscal year 2012-2013.

3 Sec. 26. Override revenue control limit for fiscal years
4 2011-2012 and 2012-2013

5 In fiscal years 2011-2012 and 2012-2013, for the purposes of section
6 15-481, Arizona Revised Statutes, "revenue control limit" means an adjusted
7 revenue control limit calculated using an adjusted base support level as
8 follows:

9 1. For the base level, use the greater of the actual base level plus
10 the percentage increases prescribed by section 15-901, subsection B,
11 paragraph 2, or three thousand two hundred sixty-seven dollars seventy-two
12 cents.

13 2. If kindergarten pupils are counted as fractional students, when
14 determining the weighted student count, include the greater of the actual
15 support level weight for kindergarten pupils only, if any, or a Group B
16 support level weight of 1.352 for kindergarten pupils only.

17 Sec. 27. Use of school district monies in unrestricted capital
18 outlay fund for fiscal years 2011-2012 and 2012-2013

19 Notwithstanding section 15-903, Arizona Revised Statutes, in fiscal
20 years 2011-2012 and 2012-2013, except for monies provided by section 15-481,
21 Arizona Revised Statutes, and section 15-2041, subsection F, Arizona Revised
22 Statutes, monies in the unrestricted capital outlay fund may be expended for
23 any capital or operational purpose.

24 Sec. 28. Use of maintenance and operation budget balance monies
25 for fiscal years 2011-2012 and 2012-2013

26 Notwithstanding section 15-943.01, Arizona Revised Statutes, the
27 governing board of a school district may budget any budget balance in the
28 maintenance and operation section of the budget, from the current fiscal year
29 for use in the maintenance and operation section of the budget in fiscal year
30 2011-2012 or 2012-2013, or in each fiscal year. In fiscal years 2011-2012
31 and 2012-2013, the amount that may be budgeted as the budget balance
32 carryforward in any one fiscal year may exceed the four per cent limitation
33 prescribed in section 15-943.01, Arizona Revised Statutes.

34 Sec. 29. Limitation on amount of bonded indebtedness for fiscal
35 years 2011-2012, 2012-2013, 2013-2014 and 2014-2015

36 A. Notwithstanding section 15-1021, Arizona Revised Statutes, in
37 fiscal years 2011-2012, 2012-2013, 2013-2014 and 2014-2015, the percentage
38 limitation prescribed in section 15-1021, subsection B, Arizona Revised
39 Statutes, is increased to ten per cent.

40 B. Notwithstanding section 15-1021, Arizona Revised Statutes, in
41 fiscal years 2011-2012, 2012-2013, 2013-2014 and 2014-2015, the percentage
42 limitation prescribed in section 15-1021, subsection D, Arizona Revised
43 Statutes, is increased to seventeen per cent.

