

REFERENCE TITLE: **reviser's technical corrections; 2011**

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SB 1419

Introduced by
Senators Pearce R: Bundgaard, Pierce S

AN ACT

AMENDING SECTION 11-251, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 238, SECTION 1; REPEALING SECTION 11-251, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 2; 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 SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 333, SECTION 3; REPEALING SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 4; AMENDING SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; REPEALING SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 247, SECTION 1; REPEALING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 117, SECTION 6; AMENDING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 285, SECTION 1 AND CHAPTER 306, SECTION 3; REPEALING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 5; AMENDING SECTION 15-808, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 5; REPEALING SECTION 15-808, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 10; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 8, SECTION 2 AND LAWS 2010, SECOND REGULAR SESSION, CHAPTER 220, SECTION 2, CHAPTER 306, SECTION 6 AND CHAPTER 332, SECTION 15; REPEALING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER

318, SECTION 12; AMENDING SECTION 15-1021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 17, SECTION 16; REPEALING SECTION 15-1021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 19; AMENDING SECTION 15-1371, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 14; REPEALING SECTION 15-1371, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 20; AMENDING SECTION 15-1372, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 15; REPEALING SECTION 15-1372, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 21; AMENDING SECTION 15-1782, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 257, SECTION 1; REPEALING SECTION 15-1782, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 21; AMENDING SECTION 15-1783, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 257, SECTION 2; REPEALING SECTION 15-1783, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 22; AMENDING SECTION 26-263, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 208, SECTION 4; REPEALING SECTION 26-263, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 30; AMENDING SECTION 32-2183, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 144, SECTION 2; REPEALING SECTION 32-2183, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 19; REPEALING SECTION 34-201, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 117, SECTION 12; AMENDING SECTION 37-132, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 243, SECTION 6; REPEALING SECTION 37-132, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 27; RELATING TO MULTIPLE, DEFECTIVE AND CONFLICTING LEGISLATIVE DISPOSITIONS OF STATUTORY TEXT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Purpose

3 1. Section 11-251, Arizona Revised Statutes, was amended by Laws 2010,
4 chapter 238, section 1 and chapter 244, section 2. The chapter 244 version
5 could not be blended because of the delayed effective date. In order to
6 combine these versions, this act amends the Laws 2010, chapter 238 version of
7 section 11-251, Arizona Revised Statutes, to incorporate the amendments made
8 by Laws 2010, chapter 244 and the chapter 244 version is repealed.

9 2. Section 15-185, Arizona Revised Statutes, was amended by Laws 2010,
10 seventh special session, chapter 8, section 1 and Laws 2010, second regular
11 session, chapter 17, section 2, chapter 306, section 1, chapter 318, section
12 1, chapter 332, section 4 and chapter 333, section 2. The chapter 318
13 version could not be blended because of the delayed effective date. In order
14 to combine these versions, this act amends the blend version of section
15 15-185, Arizona Revised Statutes, to incorporate the amendments made by Laws
16 2010, chapter 318 and the chapter 318 version is repealed.

17 3. Section 15-241, Arizona Revised Statutes, was amended by Laws 2010,
18 chapter 247, section 1, chapter 318, section 4 and chapter 333, section 3.
19 The chapter 247 version and the chapter 318 version could not be blended
20 because of the delayed effective dates. In order to combine these versions,
21 this act amends the Laws 2010, chapter 333 version of section 15-241, Arizona
22 Revised Statutes, to incorporate the amendments made by Laws 2010, chapter
23 318 and then amends that version of section 15-241, Arizona Revised Statutes,
24 to incorporate the amendments made by Laws 2010, chapter 247 and the chapter
25 318 and chapter 247 versions are repealed.

26 4. Section 15-342, Arizona Revised Statutes, was amended by Laws 2010,
27 chapter 117, section 6 and chapter 332, sections 9 and 10. The chapter 332,
28 section 10 version could not be blended because of the intervening amendment
29 by chapter 332, section 9. The Laws 2010, chapter 332, section 10 version
30 contains amendments identical to those made by the Laws 2010, chapter 117
31 version. In order to eliminate the unnecessary duplicative version of
32 section 15-342, Arizona Revised Statutes, this act repeals the chapter 117
33 version.

34 5. Section 15-393, Arizona Revised Statutes, was amended by Laws 2010,
35 chapter 285, section 1, chapter 306, section 3 and chapter 318, section 5.
36 The chapter 318 version could not be blended because of the delayed effective
37 date. In order to combine these versions, this act amends the blend version
38 of section 15-393, Arizona Revised Statutes, to incorporate the amendments
39 made by Laws 2010, chapter 318 and the chapter 318 version is repealed.

40 6. Section 15-808, Arizona Revised Statutes, was amended by Laws 2010,
41 chapter 306, section 5 and chapter 318, section 10. The chapter 318 version
42 could not be blended because of the delayed effective date. In order to
43 combine these versions, this act amends the chapter 306 version of section
44 15-808, Arizona Revised Statutes, to incorporate the amendments made by Laws
45 2010, chapter 318 and the chapter 318 version is repealed.

1 7. Section 15-901, Arizona Revised Statutes, was amended by Laws 2010,
2 seventh special session, chapter 8, section 2 and Laws 2010, second regular
3 session, chapter 220, section 2, chapter 306, section 6, chapter 318, section
4 12 and chapter 332, section 15. The chapter 318 version could not be blended
5 because of the delayed effective date. In order to combine these versions,
6 this act amends the blend version of section 15-901, Arizona Revised
7 Statutes, to incorporate the amendments made by Laws 2010, chapter 318 and
8 the chapter 318 version is repealed.

9 8. Section 15-1021, Arizona Revised Statutes, was amended by Laws
10 2010, chapter 318, section 19. However, this version did not reflect the
11 previous valid version of the section. In order to comply with article IV,
12 part 2, section 14, Constitution of Arizona, this act amends section 15-1021,
13 Arizona Revised Statutes, as amended by Laws 2010, chapter 17, section 16, to
14 incorporate the amendments made by Laws 2010, chapter 318 and the chapter 318
15 version is repealed.

16 9. Section 15-1371, Arizona Revised Statutes, was amended by Laws
17 2010, chapter 306, section 14 and chapter 318, section 20. The chapter 318
18 version could not be blended because of the delayed effective date. In order
19 to combine these versions, this act amends the chapter 306 version of section
20 15-1371, Arizona Revised Statutes, to incorporate the amendments made by Laws
21 2010, chapter 318 and the chapter 318 version is repealed.

22 10. Section 15-1372, Arizona Revised Statutes, was amended by Laws
23 2010, chapter 306, section 15 and chapter 318, section 21. The chapter 318
24 version could not be blended because of the delayed effective date. In order
25 to combine these versions, this act amends the chapter 306 version of section
26 15-1372, Arizona Revised Statutes, to incorporate the amendments made by Laws
27 2010, chapter 318 and the chapter 318 version is repealed.

28 11. Section 15-1782, Arizona Revised Statutes, was amended by Laws
29 2010, chapter 257, section 1 and chapter 332, section 21. The chapter 332
30 version could not be blended because of the delayed effective date. In order
31 to combine these versions, this act amends the chapter 257 version of section
32 15-1782, Arizona Revised Statutes, to incorporate the amendments made by
33 chapter 332 and the chapter 332 version is repealed.

34 12. Section 15-1783, Arizona Revised Statutes, was amended by Laws
35 2010, chapter 257, section 2 and chapter 332, section 22. The chapter 332
36 version could not be blended because of the delayed effective date. In order
37 to combine these versions, this act amends the chapter 257 version of section
38 15-1783, Arizona Revised Statutes, to incorporate the amendments made by Laws
39 2010, chapter 332 and the chapter 332 version is repealed.

40 13. Section 41-1512.02, Arizona Revised Statutes, was renumbered as
41 section 26-263, Arizona Revised Statutes, and amended by Laws 2010, chapter
42 208, section 4 and amended by chapter 244, section 30. The chapter 244
43 version could not be blended because of the delayed effective date. In order
44 to combine these versions, this act amends the chapter 208 version of section

1 26-263, Arizona Revised Statutes, to incorporate the amendments made by Laws
2 2010, chapter 244 and the chapter 244 version is repealed.

3 14. Section 32-2183, Arizona Revised Statutes, was amended by Laws
4 2010, chapter 144, section 2 and chapter 244, section 19. The chapter 244
5 version could not be blended because of the delayed effective date. In order
6 to combine these versions, this act amends the chapter 144 version of section
7 32-2183, Arizona Revised Statutes, to incorporate the amendments made by Laws
8 2010, chapter 244 and the chapter 244 version is repealed.

9 15. Section 34-201, Arizona Revised Statutes, was amended by Laws 2010,
10 chapter 117, section 12 and chapter 244, sections 23 and 24. The chapter
11 244, section 24 version could not be blended because of the intervening
12 amendment by chapter 244, section 23. The Laws 2010, chapter 244, section 24
13 version contains amendments identical to those made by the Laws 2010, chapter
14 117 version. In order to eliminate the unnecessary duplicative version of
15 section 34-201, Arizona Revised Statutes, this act repeals the chapter 117
16 version.

17 16. Section 37-132, Arizona Revised Statutes, was amended by Laws 2010,
18 chapter 243, section 6 and chapter 244, section 27. The chapter 244 version
19 could not be blended because of the delayed effective date. In order to
20 combine these versions, this act amends the chapter 243 version of section
21 37-132, Arizona Revised Statutes, to incorporate the amendments made by Laws
22 2010, chapter 244 and the chapter 244 version is repealed.

23 Sec. 2. Section 11-251, Arizona Revised Statutes, as amended by Laws
24 2010, chapter 238, section 1, is amended to read:

25 11-251. Powers of board

26 The board of supervisors, under such limitations and restrictions as
27 are prescribed by law, may:

28 1. Supervise the official conduct of all county officers and officers
29 of all districts and other subdivisions of the county charged with assessing,
30 collecting, safekeeping, managing or disbursing the public revenues, see that
31 such officers faithfully perform their duties and direct prosecutions for
32 delinquencies, and, when necessary, require the officers to renew their
33 official bonds, make reports and present their books and accounts for
34 inspection.

35 2. Divide the counties into such districts or precincts as required by
36 law, change them and create others as convenience requires.

37 3. Establish, abolish and change election precincts, appoint
38 inspectors and judges of elections, canvass election returns, declare the
39 result and issue certificates thereof.

40 4. Lay out, maintain, control and manage public roads, ferries and
41 bridges within the county and levy such tax for that purpose as may be
42 authorized by law.

43 5. Provide for the care and maintenance of the sick of the county,
44 erect and maintain hospitals for that purpose and, in its discretion, provide

1 a farm in connection with the county hospital and adopt ordinances for
2 working the farm.

3 6. Provide suitable rooms for county purposes.

4 7. Purchase, receive by donation or lease real or personal property
5 necessary for the use of the county prison and take care of, manage and
6 control the property, but no purchase of real property shall be made unless
7 the value has been previously estimated by three disinterested citizens of
8 the county, appointed by the board for that purpose, and no more than the
9 appraised value shall be paid for the property.

10 8. Cause to be erected and furnished a courthouse, jail and hospital
11 and such other buildings as necessary, and construct and establish a branch
12 jail, when necessary, at a point distant from the county seat.

13 9. Sell at public auction, after thirty days' previous notice given by
14 publication in a newspaper of the county, stating the time and place of the
15 auction, and convey to the highest bidder, for cash or contract of purchase
16 extending not more than ten years from the date of sale and upon such terms
17 and conditions and for such consideration as the board shall prescribe, any
18 property belonging to the county that the board deems advantageous for the
19 county to sell, or that the board deems unnecessary for use by the county,
20 and shall pay the proceeds thereof into the county treasury for use of the
21 county, except that personal property need not be sold but may be used as a
22 trade-in on the purchase of personal property when the board deems this
23 disposition of the personal property to be in the best interests of the
24 county. When the property for sale is real property, the board shall have
25 such property appraised by a qualified independent fee appraiser who has an
26 office located in this state. The appraiser shall establish a minimum price,
27 which shall not be less than ninety per cent of the appraised value. The
28 notice regarding the sale of real property shall be published in the county
29 where the property is situated and may be published in one or more other
30 counties, and shall contain, among other things, the appraised value, the
31 minimum acceptable sale price, and the common and legal description of the
32 real property. Notwithstanding the requirement for a sale at public auction
33 prescribed in this paragraph, a county and with unanimous consent of the
34 board, without a public auction, may sell or lease any county property to any
35 other duly constituted governmental entity, including the state, cities,
36 towns and other counties. A county and with unanimous consent of the board,
37 ~~AND~~ without public auction, may grant an easement on county property for
38 public purposes to a utility as defined in section 40-491. A county and with
39 unanimous consent of the board, without public auction, may sell or lease any
40 county property for a specific use to any solely charitable, social or
41 benevolent nonprofit organization incorporated or operating in this state. A
42 county may dispose of surplus equipment and materials that have little or no
43 value or that are unauctionable in any manner authorized by the board.

44 10. Examine and exhibit the accounts and performance of all officers
45 having the care, management, collection or disbursement of monies belonging

1 to the county or appropriated by law or otherwise for the use and benefit of
2 the county. The working papers and other audit files in an examination and
3 audit of the accounts and performance of a county officer are not public
4 records and are exempt from title 39, chapter 1. The information contained
5 in the working papers and audit files prepared pursuant to a specific
6 examination or audit is not subject to disclosure, except to the county
7 attorney and the attorney general in connection with an investigation or
8 action taken in the course of their official duties.

9 11. Examine, settle and allow all accounts legally chargeable against
10 the county, order warrants to be drawn on the county treasurer for that
11 purpose and provide for issuing the warrants.

12 12. Levy such tax annually on the taxable property of the county as may
13 be necessary to defray the general current expenses thereof, including
14 salaries otherwise unprovided for, and levy such other taxes as are required
15 to be levied by law.

16 13. Equalize assessments.

17 14. Direct and control the prosecution and defense of all actions to
18 which the county is a party, and compromise them.

19 15. Insure the county buildings in the name of and for the benefit of
20 the county.

21 16. Fill by appointment all vacancies occurring in county or precinct
22 offices.

23 17. Adopt provisions necessary to preserve the health of the county,
24 and provide for the expenses thereof.

25 18. With the approval of the department of health services, contract
26 with any qualified person to provide all or part of the health services,
27 funded through the department of health services with federal or state
28 monies, that the board in its discretion extends to residents of the county.

29 19. Contract for county printing and advertising, and provide books and
30 stationery for county officers.

31 20. Provide for rebinding county records, or, if necessary, the
32 transcribing of county records.

33 21. Make and enforce necessary rules and regulations for the government
34 of its body, the preservation of order and the transaction of business.

35 22. Adopt a seal for the board, a description and impression of which
36 shall be filed by the clerk in the office of the county recorder and the
37 secretary of state.

38 23. Establish, maintain and conduct or aid in establishing, maintaining
39 and conducting public aviation fields, purchase, receive by donation or lease
40 any property necessary for that purpose, lease, at a nominal rental if
41 desired, sell such aviation fields or property to the United States or any
42 department, or sell or lease such aviation fields to a city, exchange lands
43 acquired pursuant to this section for other lands, or act in conjunction with
44 the United States in maintaining, managing and conducting all such property.
45 If any such property or part of that property is not needed for these

1 purposes, it shall be sold by the board and the proceeds shall be paid into
2 the general fund of the county.

3 24. Acquire and hold property for the use of county fairs, and conduct,
4 take care of and manage them.

5 25. Authorize the sheriff to offer a reward, not exceeding ten thousand
6 dollars in one case, for information leading to the arrest and conviction of
7 persons charged with crime.

8 26. Contract for the transportation of insane persons to the state
9 hospital or direct the sheriff to transport such persons. The county is
10 responsible for such expense to the extent the expense is not covered by any
11 third party payor.

12 27. Provide for the reasonable expenses of burial for deceased
13 indigents as provided in section 36-831 and maintain a permanent register of
14 deceased indigents, including name, age and date of death, and when burial
15 occurs, the board shall mark the grave with a permanent marker giving the
16 name, age, and date of birth, if known.

17 28. Sell or grant to the United States the title or interest of the
18 county in any toll road or toll train in or partly within a national park,
19 upon such terms and consideration as may be agreed upon by the board and the
20 secretary of the interior of the United States.

21 29. Enter into agreements for acquiring rights-of-way, construction,
22 reconstruction or maintenance of highways in their respective counties,
23 including highways that pass through Indian reservations, with the government
24 of the United States, acting through its duly authorized officers or agents
25 pursuant to any act of Congress, except that the governing body of any Indian
26 tribe whose lands are affected must consent to the use of its land, and any
27 such agreements entered into before June 26, 1952 are validated and
28 confirmed.

29 30. Do and perform all other acts and things necessary to the full
30 discharge of its duties as the legislative authority of the county
31 government, including receiving and accepting payment of monies by credit
32 card or debit card, or both. Any fees or costs incurred by the use of the
33 credit or debit card shall be paid by the person tendering payment unless the
34 charging entity determines that the financial benefits of accepting credit
35 cards or debit cards exceeds the additional processing fees.

36 31. Make and enforce all local, police, sanitary and other regulations
37 not in conflict with general law.

38 32. Budget for funds for foster home care during the school week for
39 mentally retarded and otherwise handicapped children who reside within the
40 county and attend a school for the handicapped in a city or town within such
41 county.

42 33. Do and perform all acts necessary to enable the county to
43 participate in the economic opportunity act of 1964 (P.L. 88-452; 78 Stat.
44 508), as amended.

1 34. Provide a plan or plans for its employees that provide tax deferred
2 annuity and deferred compensation plans as authorized pursuant to title 26,
3 United States Code. Such plans shall allow voluntary participation by all
4 employees of the county. Participating employees shall authorize the board
5 to make reductions in their remuneration as provided in an executed deferred
6 compensation agreement.

7 35. Adopt and enforce standards for shielding and filtration of
8 commercial or public outdoor portable or permanent light fixtures in
9 proximity to astronomical or meteorological laboratories.

10 36. Subject to the prohibitions, restrictions and limitations as set
11 forth in section ~~11-830~~ 11-812, adopt and enforce standards for excavation,
12 landfill and grading to prevent unnecessary loss from erosion, flooding and
13 landslides.

14 37. Make and enforce necessary ordinances for the operation and
15 licensing of any establishment not in the limits of an incorporated city or
16 town in which is carried on the business of providing baths, showers or other
17 forms of hydrotherapy or any service of manual massage of the human body.

18 38. Provide pecuniary compensation as salary or wages for overtime work
19 performed by county employees, including those employees covered by title 23,
20 chapter 2, article 9. In so providing, the board may establish salary and
21 wage plans incorporating classifications and conditions prescribed by the
22 federal fair labor standards act.

23 39. Establish, maintain and operate facilities that provide for
24 physical evaluation, diagnosis and treatment of patients and that do not keep
25 patients overnight as bed patients or treat patients under general
26 anesthesia.

27 40. Enact ordinances under its police authority prescribing reasonable
28 curfews in the entire unincorporated area or any area less than the entire
29 unincorporated area of the county for minors and fines not to exceed the fine
30 for a petty offense for violation of such ordinances. Nothing in this
31 paragraph shall be construed to require a request from an association or a
32 majority of the residents of an area before the board may enact an ordinance
33 applicable to the entire or any portion of the unincorporated area. An
34 ordinance enacted pursuant to this paragraph shall provide that a minor is
35 not violating a curfew if the minor is accompanied by a parent, a guardian or
36 an adult having supervisory custody, is on an emergency errand or has been
37 specifically directed to the location on reasonable, legitimate business or
38 some other activity by the parent, guardian or adult having supervisory
39 custody. If no curfew ordinance is applicable to a particular unincorporated
40 area of the county, the board may adopt a curfew ordinance on the request or
41 petition of either:

42 (a) A homeowners' association that represents a majority of the
43 homeowners in the area covered by the association and to which the curfew
44 would apply.

1 (b) A majority of the residents of the area to which the curfew would
2 apply.

3 41. Lease or sublease personal property owned by the county to other
4 political subdivisions of this state to be used for a public purpose.

5 42. In addition to the agreements authorized by section 11-651, enter
6 into long-term agreements for the purchase of personal property, provided
7 that the board may cancel any such agreement at the end of a fiscal year, at
8 which time the seller may repossess the property and the agreement shall be
9 deemed terminated.

10 43. Make and enforce necessary ordinances not in conflict with the laws
11 of this state to regulate off-road recreational motor vehicles that are
12 operated within the county on public lands without lawful authority or on
13 private lands without the consent of the lawful owner or that generate air
14 pollution. For the purposes of this paragraph, "off-road recreational motor
15 vehicle" means three and four wheel vehicles manufactured for recreational
16 nonhighway all terrain travel.

17 44. Acquire land for roads, drainage ways and other public purposes by
18 exchange without public auction, except that notice shall be published thirty
19 days before the exchange, listing the property ownership and descriptions.

20 45. Purchase real property for public purposes, provided that final
21 payment shall be made not later than five years after the date of purchase.

22 46. Lease-purchase real property and improvements for real property for
23 public purposes, provided that final payment shall be made not later than
24 twenty-five years after the date of purchase. Any increase in the final
25 payment date from fifteen years up to the maximum of twenty-five years shall
26 be made only on unanimous approval by the board of supervisors.

27 47. Make and enforce ordinances for the protection and disposition of
28 domestic animals subject to inhumane, unhealthful or dangerous conditions or
29 circumstances provided that nothing in this paragraph limits or restricts the
30 authority granted to incorporated cities and towns or counties pursuant to
31 section 13-2910. An ordinance enacted pursuant to this paragraph shall not
32 restrict or limit the authority of the game and fish commission to regulate
33 the taking of wildlife. For the purposes of this paragraph, "domestic
34 animal" means an animal kept as a pet and not primarily for economic
35 purposes.

36 48. If a part of a parcel of land is to be taken for roads, drainage,
37 flood control or other public purposes and the board and the affected
38 property owner determine that the remainder will be left in such a condition
39 as to give rise to a claim or litigation concerning severance or other
40 damage, acquire the whole parcel by purchase, donation, dedication, exchange,
41 condemnation or other lawful means, and the remainder may be sold or
42 exchanged for other properties needed for any public purpose.

43 49. Make and enforce necessary rules providing for the reimbursement of
44 travel and subsistence expenses of members of county boards, commissions and
45 advisory committees when acting in the performance of their duties, if the

1 board, commission or advisory committee is authorized or required by federal
2 or state law or county ordinance, and the members serve without compensation.

3 50. Provide a plan or plans for county employee benefits that allow for
4 participation in a cafeteria plan that meets the requirements of the United
5 States internal revenue code of 1986.

6 51. Provide for fringe benefits for county employees, including sick
7 leave, personal leave, vacation and holiday pay and jury duty pay.

8 52. Make and enforce ordinances that are more restrictive than state
9 requirements to reduce or encourage the reduction of carbon monoxide and
10 ozone levels, provided an ordinance does not establish a standard for
11 vehicular emissions, including ordinances to reduce or encourage the
12 reduction of the commuter use of motor vehicles by employees of the county
13 and employees whose place of employment is in unincorporated areas of the
14 county.

15 53. Make and enforce ordinances to provide for the reimbursement of up
16 to one hundred per cent of the cost to county employees of public bus or van
17 pool transportation to and from their place of employment.

18 54. Lease for public purposes any real property, improvements for real
19 property and personal property under the same terms and conditions, to the
20 extent applicable, as are specified in sections 11-651 and 11-653 for
21 lease-purchases.

22 55. Enact ordinances prescribing regulation of alarm systems and
23 providing for civil penalties to reduce the incidence of false alarms at
24 business and residential structures relating to burglary, robbery, fire and
25 other emergencies not within the limits of an incorporated city or town.

26 56. In addition to paragraph 9 of this section, and notwithstanding
27 section 23-504, sell or dispose of, at no less than fair market value, county
28 personal property that the board deems no longer useful or necessary through
29 a retail outlet or to another government entity if the personal property has
30 a fair market value of no more than one thousand dollars, or by retail sale
31 or private bid, if the personal property has a fair market value of no more
32 than fifteen thousand dollars. Notice of sales in excess of one thousand
33 dollars shall include a description and sale price of each item and shall be
34 published in a newspaper of general circulation in the county, and for thirty
35 days after notice other bids may be submitted that exceed the sale price by
36 at least five per cent. The county shall select the highest bid received at
37 the end of the thirty day period.

38 57. Sell services, souvenirs, sundry items or informational
39 publications that are uniquely prepared for use by the public and by
40 employees and license and sell information systems and intellectual property
41 developed from county resources that the county is not obligated to provide
42 as a public record.

43 58. On unanimous consent of the board of supervisors, license, lease or
44 sell any county property pursuant to paragraphs 56 and 57 of this section at
45 less than fair market value to any other governmental entity, including this

1 state, cities, towns, public improvement districts or other counties within
2 or outside of this state, or for a specific purpose to any charitable, social
3 or benevolent nonprofit organization incorporated or operating in this state.

4 59. On unanimous consent of the board of supervisors, provide technical
5 assistance and related services to a fire district pursuant to an
6 intergovernmental agreement.

7 60. Adopt contracting procedures for the operation of a county health
8 system pursuant to section 11-291. Before the adoption of contracting
9 procedures the board shall hold a public hearing. The board shall publish
10 one notification in a newspaper of general circulation in the county seat at
11 least fifteen days before the hearing.

12 61. Enter into an intergovernmental agreement pursuant to chapter 7,
13 article 3 of this title for a city or town to provide emergency fire or
14 emergency medical services pursuant to section 9-500.23 to a county island as
15 defined in section 11-251.12. The board may charge the owners of record in
16 the county island a fee to cover the cost of an intergovernmental agreement
17 that provides fire and emergency medical services.

18 62. In counties that employ or have designated an animal control county
19 enforcement agent pursuant to section 11-1005, enter into agreements with
20 foundations or charitable organizations to solicit donations, property or
21 services, excluding enforcement or inspection services, for use by the county
22 enforcement agent solely to perform nonmandated services and to fund capital
23 improvements for county animal control, subject to annual financial and
24 performance audits by an independent party as designated by the county board
25 of supervisors. For the purposes of this paragraph, nonmandated services are
26 limited to low cost spay and neuter services, public education and outreach
27 efforts, pet adoption efforts, care for pets that are victims of cruelty or
28 neglect and support for volunteer programs.

29 63. Adopt and provide for the enforcement of ordinances prohibiting
30 open fires and campfires on designated lands in the unincorporated areas of
31 the county when a determination of emergency is issued by the county
32 emergency management officer and the board deems it necessary to protect
33 public health and safety on those lands.

34 64. Fix the amount of license fees to be paid by any person, firm,
35 corporation or association for carrying on any game or amusement business in
36 unincorporated areas of the county and prescribe the method of collection or
37 payment of those fees, for a stated period in advance, and fix penalties for
38 failure to comply by fine. Nothing in this article shall be construed as
39 authorizing any county to require an occupational license or fee for any
40 activity if state law precludes requiring such a license or fee.

41 65. Adopt and enforce ordinances for the prevention, abatement and
42 removal of graffiti, providing that any restrictions on the retail display of
43 potential graffiti tools be limited to any of the following, as determined by
44 the retail business:

1 (a) In a place that is in the line of sight of a cashier or in the
2 line of sight from a work station normally continuously occupied during
3 business hours.

4 (b) In a manner that makes the product accessible to a patron of the
5 business establishment only with the assistance of an employee of the
6 establishment.

7 (c) In an area electronically protected, or viewed by surveillance
8 equipment that is monitored, during business hours.

9 66. Adopt ordinances and fees related to the implementation of a local
10 stormwater quality program pursuant to title 49, chapter 2, article 11.

11 Sec. 3. Repeal

12 Section 11-251, Arizona Revised Statutes, as amended by Laws 2010,
13 chapter 244, section 2, is repealed.

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

18 15-185. Charter schools; financing; civil penalty;
19 transportation; definitions

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

22 1. The charter school shall be included in the district's budget and
23 financial assistance calculations pursuant to paragraph 3 of this subsection
24 and chapter 9 of this title, except for chapter 9, article 4 of this title.
25 The charter of the charter school shall include a description of the methods
26 of funding the charter school by the school district. The school district
27 shall send a copy of the charter and application, including a description of
28 how the school district plans to fund the school, to the state board of
29 education before the start of the first fiscal year of operation of the
30 charter school. The charter or application shall include an estimate of the
31 student count for the charter school for its first fiscal year of operation.
32 This estimate shall be computed pursuant to the requirements of paragraph 3
33 of this subsection.

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

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

40 (a) Increase its student count as provided in subsection B, paragraph
41 2 of this section during the first year of the charter school's operation to
42 include those charter school pupils who were not previously enrolled in the
43 school district. A charter school sponsored by a school district governing
44 board is eligible for the assistance prescribed in subsection B, paragraph 4
45 of this section. The soft capital allocation as provided in section 15-962

1 for the school district sponsoring the charter school shall be increased by
2 the amount of the additional assistance. The school district shall include
3 the full amount of the additional assistance in the funding provided to the
4 charter school.

5 (b) Compute separate weighted student counts pursuant to section
6 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
7 school pupils in order to maintain eligibility for small school district
8 support level weights authorized in section 15-943, paragraph 1 for its
9 noncharter school pupils only. The portion of a district's student count
10 that is attributable to charter school pupils is not eligible for small
11 school district support level weights.

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

16 5. A school district that sponsors a charter school is not eligible to
17 include the charter school pupils in its student count for the purpose of
18 computing an increase in its capital outlay revenue limit as provided in
19 section 15-961, subsection C, except that if the charter school was
20 previously a school in the district, the district may include in its student
21 count any charter school pupils who were enrolled in the school district in
22 the prior year.

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

28 7. If a school district converts one or more of its district public
29 schools to a charter school and receives assistance as prescribed in
30 subsection B, paragraph 4 of this section, and subsequently converts the
31 charter school back to a district public school, the school district shall
32 repay the state the total additional assistance received for the charter
33 school for all years that the charter school was in operation. The repayment
34 shall be in one lump sum and shall be reduced from the school district's
35 current year equalization assistance. The school district's general budget
36 limit shall be reduced by the same lump sum amount in the current year.

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

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

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

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

24 4. Equalization assistance for the charter school shall be determined
25 by adding the amount of the base support level and additional assistance.
26 The amount of the additional assistance is one thousand six hundred seven
27 dollars fifty cents per student count in kindergarten programs and grades one
28 through eight and one thousand eight hundred seventy-three dollars fifty-two
29 cents per student count in grades nine through twelve.

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

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

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

1 C. If a pupil is enrolled in both a charter school and a public school
2 that is not a charter school, the sum of the daily membership, which includes
3 enrollment as prescribed in section 15-901, subsection A, paragraph ~~2~~ 1,
4 subdivisions (a) and (b) and daily attendance as prescribed in section
5 15-901, subsection A, paragraph ~~6~~ 5, for that pupil in the school district
6 and the charter school shall not exceed 1.0, except that if the pupil is
7 enrolled in both a charter school and a joint technical education district
8 and resides within the boundaries of a school district participating in the
9 joint technical education district, the sum of the average daily membership
10 for that pupil in the charter school and the joint technical education
11 district shall not exceed 1.25. If a pupil is enrolled in both a charter
12 school and a public school that is not a charter school, the department of
13 education shall direct the average daily membership to the school with the
14 most recent enrollment date. Upon validation of actual enrollment in both a
15 charter school and a public school that is not a charter school and if the
16 sum of the daily membership or daily attendance for that pupil is greater
17 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
18 the public school and the charter school based on the percentage of total
19 time that the pupil is enrolled or in attendance in the public school and the
20 charter school, except that if the pupil is enrolled in both a charter school
21 and a joint technical education district and resides within the boundaries of
22 a school district participating in the joint technical education district,
23 the sum of the average daily membership for that pupil in the charter school
24 and the joint technical education district shall be reduced to 1.25 and shall
25 be apportioned between the charter school and the joint technical education
26 district based on the percentage of total time that the pupil is enrolled or
27 in attendance in the charter school and the joint technical education
28 district. The uniform system of financial records shall include guidelines
29 for the apportionment of the pupil enrollment and attendance as provided in
30 this section.

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

- 43 1. Equalization assistance shall not be less than zero.
- 44 2. For a charter school sponsored by the state board of education, the
45 state board for charter schools, a university, a community college district

1 or a group of community college districts, the total of the base support
2 level and the additional assistance shall not be less than zero.

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

7 E. If a charter school was a district public school in the prior year
8 and is now being operated for or by the same school district and sponsored by
9 the state board of education, the state board for charter schools, a
10 university, a community college district, a group of community college
11 districts or a school district governing board, the reduction in subsection D
12 of this section applies. The reduction to the base support level of the
13 charter school or the sponsoring district of the charter school shall equal
14 the sum of the base support level and the additional assistance received in
15 the current year for those pupils who were enrolled in the traditional public
16 school in the prior year and are now enrolled in the charter school in the
17 current year.

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

21 G. At the request of a charter school, the county school
22 superintendent of the county where the charter school is located may provide
23 the same educational services to the charter school as prescribed in section
24 15-308, subsection A. The county school superintendent may charge a fee to
25 recover costs for providing educational services to charter schools.

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

43 I. In addition to the withholding of state aid payments pursuant to
44 subsection H of this section, the sponsor of a charter school may impose a
45 civil penalty of one thousand dollars per occurrence if a charter school

1 fails to comply with the fingerprinting requirements prescribed in section
2 15-183, subsection C or section 15-512. The sponsor of a charter school
3 shall not impose a civil penalty if it is the first time that a charter
4 school is out of compliance with the fingerprinting requirements and if the
5 charter school provides proof within forty-eight hours of written
6 notification that an application for the appropriate fingerprint check has
7 been received by the department of public safety. The sponsor of the charter
8 school shall obtain proof that the charter school has been notified, and the
9 notification shall identify the date of the deadline and shall be signed by
10 both parties. The sponsor of a charter school shall automatically impose a
11 civil penalty of one thousand dollars per occurrence if the sponsor
12 determines that the charter school subsequently violates the fingerprinting
13 requirements. Civil penalties pursuant to this subsection shall be assessed
14 by requesting the department of education to reduce the amount of state aid
15 that the charter school would otherwise receive by an amount equal to the
16 civil penalty. The amount of state aid withheld shall revert to the state
17 general fund at the end of the fiscal year.

18 J. A charter school may receive and spend monies distributed by the
19 department of education pursuant to section 42-5029, subsection E and section
20 37-521, subsection B.

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

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

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

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

5 O. For the purposes of this section:

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

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

18 Sec. 5. Repeal

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

21 Sec. 6. Section 15-241, Arizona Revised Statutes, as amended by Laws
22 2010, chapter 333, section 3, is amended to read:

23 15-241. School accountability; schools failing to meet academic
24 standards; failing schools tutoring fund;
25 classification label for school districts and charter
26 school operators

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

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

34 C. The department shall establish a baseline achievement profile for
35 each school. The baseline achievement profile shall be used to determine a
36 standard measurement of acceptable academic progress for each school and a
37 school classification pursuant to subsection H of this section. Any
38 disclosure of educational records compiled by the department of education
39 pursuant to this section shall comply with the family educational and privacy
40 rights act of 1974 (20 United States Code section 1232g).

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

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

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

14 3. The results of English language learners tests administered
15 pursuant to section 15-756, subsection B, section 15-756.05 and section
16 15-756.06.

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

20 1. The Arizona instrument to measure standards test. The department
21 shall compute the percentage of pupils pursuant to subsection G of this
22 section who meet or exceed the standard on the Arizona instrument to measure
23 standards test, as prescribed by the state board of education. The
24 superintendent of public instruction and the department may calculate
25 academic gain on the Arizona instrument to measure standards test according
26 to each of the school classifications prescribed in subsection G of this
27 section on a statewide basis, for each school district in this state and for
28 each school by determining the average scale scores for students in the
29 current academic year as compared to the average scale scores for the
30 previous academic year for the same students.

31 2. The annual dropout rate.

32 3. The annual graduation rate.

33 4. The results of English language learners tests administered
34 pursuant to section 15-756, subsection B, section 15-756.05 and section
35 15-756.06.

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

40 G. Subject to final adoption by the state board of education, the
41 department shall determine the criteria for each school classification using
42 a research based methodology. The methodology shall include the performance
43 of pupils at all achievement levels, account for pupil mobility, account for
44 the distribution of pupil achievement at each school and include longitudinal
45 indicators of academic performance. For the purposes of this subsection,

1 "research based methodology" means the systematic and objective application
2 of statistical and quantitative research principles to determine a standard
3 measurement of acceptable academic progress for each school.

4 H. Except as provided in subsection EE of this section, the
5 achievement profile shall be used to determine a school classification that
6 designates each school as one of the following:

- 7 1. An excelling school.
- 8 2. A highly performing school.
- 9 3. A performing school.
- 10 4. An underperforming school.
- 11 5. A school failing to meet academic standards.

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

15 J. Subject to final adoption by the state board of education, the
16 department of education shall develop a parallel achievement profile for
17 accommodation schools, alternative schools as defined by the state board of
18 education and extremely small schools as defined by the state board of
19 education for the purposes of this section.

20 K. If a school is designated as an underperforming school, within
21 ninety days after receiving notice of the designation, the governing board
22 shall develop an improvement plan for the school, submit a copy of the plan
23 to the superintendent of public instruction and supervise the implementation
24 of the plan. The plan shall include necessary components as identified by
25 the state board of education. Within thirty days after submitting the
26 improvement plan to the superintendent of public instruction, the governing
27 board shall hold a special public meeting in each school that has been
28 designated as an underperforming school and shall present the respective
29 improvement plans that have been developed for each school. The school
30 district governing board, within thirty days of receiving notice of the
31 designation, shall provide written notification of the classification to each
32 residence within the attendance area of the school. The notice shall explain
33 the improvement plan process and provide information regarding the public
34 meeting required by this subsection.

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

43 M. If a charter school is designated as an underperforming school,
44 within thirty days the school shall notify the parents of the students
45 attending the school of the classification. The notice shall explain the

1 improvement plan process and provide information regarding the public meeting
2 required by this subsection. Within ninety days of receiving the
3 classification, the charter holder shall present an improvement plan to the
4 charter sponsor at a public meeting and submit a copy of the plan to the
5 superintendent of public instruction. The improvement plan shall include
6 necessary components as identified by the state board of education. For
7 every day that an improvement plan is not received by the superintendent of
8 public instruction, the school is not eligible to receive monies from the
9 classroom site fund established by section 15-977 for every day that a plan
10 has not been received by the superintendent of public instruction within the
11 time specified in subsection K of this section plus an additional ninety
12 days. The charter holder shall appear before the sponsoring board and
13 explain why the improvement plan has not been submitted.

14 N. The department of education shall establish an appeals process, to
15 be approved by the state board of education, for a school to appeal data used
16 to determine the achievement profile of the school. The criteria established
17 shall be based on mitigating factors and may include a visit to the school
18 site by the department of education.

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

25 P. The school district governing board, within thirty days of
26 receiving notice of the school failing to meet academic standards
27 classification, shall provide written notification of the classification to
28 each residence in the attendance area of the school. The notice shall
29 explain the improvement plan process and provide information regarding the
30 public meeting required by subsection S of this section.

31 Q. The superintendent of public instruction, based on need, shall
32 assign a solutions team to an underperforming school, a school failing to
33 meet academic standards or any other school pursuant to a mutual agreement
34 between the department of education and the school comprised of master
35 teachers, fiscal analysts and curriculum assessment experts who are certified
36 by the state board of education as Arizona academic standards technicians.
37 The department of education may hire or contract with administrators,
38 principals and teachers who have demonstrated experience with the
39 characteristics and situations in an underperforming school or a school
40 failing to meet academic standards and may use these personnel as part of the
41 solutions team. The department of education shall work with staff at the
42 school to assist in curricula alignment and shall instruct teachers on how to
43 increase pupil academic progress, considering the school's achievement
44 profile. The solutions team shall consider the existing improvement plan to
45 assess the need for changes to curriculum, professional development and

1 resource allocation and shall present a statement of its findings to the
2 school administrator and district superintendent. Within forty-five days
3 after the presentation of the solutions team's statement of findings, the
4 school district governing board, in cooperation with each school within the
5 school district that is designated an underperforming school and its assigned
6 solutions team representative, shall develop and submit to the department of
7 education an action plan that details the manner in which the school district
8 will assist the school as the school incorporates the findings of the
9 solutions team into the improvement plan. The department of education shall
10 review the action plan and shall either accept the action plan or return the
11 action plan to the school district for modification. If the school district
12 does not submit an approved action plan within forty-five days, the state
13 board of education may direct the superintendent of public instruction to
14 withhold up to ten per cent of state monies that the school district would
15 otherwise be entitled to receive each month until the plan is submitted to
16 the department of education, at which time those monies shall be returned to
17 the school district.

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

40 S. Within sixty days of receiving notification of designation as a
41 school failing to meet academic standards, the school district governing
42 board shall evaluate needed changes to the existing improvement plan for the
43 school, consider recommendations from the solutions team, submit a copy of
44 the plan to the superintendent of public instruction and supervise the
45 implementation of the plan. Within thirty days after submitting the

1 improvement plan to the superintendent of public instruction, the governing
2 board shall hold a public meeting in each school that has been designated as
3 a school failing to meet academic standards and shall present the respective
4 improvement plans that have been developed for each school.

5 T. A school that has not submitted an improvement plan pursuant to
6 subsection S of this section is not eligible to receive monies from the
7 classroom site fund established by section 15-977 for every day that a plan
8 has not been received by the superintendent of public instruction within the
9 time specified in subsection S of this section plus an additional ninety
10 days. The state board of education shall require the superintendent of the
11 school district to testify before the board and explain the reasons that an
12 improvement plan for that school has not been submitted.

13 U. If a charter school is designated as a school failing to meet
14 academic standards, the department of education shall immediately notify the
15 charter school's sponsor. The charter school's sponsor shall either take
16 action to restore the charter school to acceptable performance or revoke the
17 charter school's charter. Within thirty days the school shall notify the
18 parents of the students attending the school of the classification and of any
19 pending public meetings to review the issue.

20 V. A school that has been designated as a school failing to meet
21 academic standards shall be evaluated by the department of education to
22 determine if the school failed to properly implement its school improvement
23 plan, align the curriculum with academic standards, provide teacher training,
24 prioritize the budget or implement other proven strategies to improve
25 academic performance. After visiting the school site pursuant to subsection
26 O of this section, the department of education shall submit to the state
27 board of education a recommendation to proceed pursuant to subsections Q, R
28 and S of this section or that the school be subject to a public hearing to
29 determine if the school failed to properly implement its improvement plan and
30 the reasons for the department's recommendation.

31 W. If the department does recommend a public hearing, the state board
32 of education shall meet and may provide by a majority vote at the public
33 hearing for the continued operation of the school as allowed by this
34 subsection. The state board of education shall determine whether
35 governmental, nonprofit and private organizations may submit applications to
36 the state board to fully or partially manage the school. The state board's
37 determination shall include:

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

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

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

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

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

1 X. The state board shall periodically review the status of a school
 2 that is operated by an organization other than the school district governing
 3 board to determine whether the operation of the school should be returned to
 4 the school district governing board. Before the state board makes a
 5 determination, the state board or its designee shall meet with the school
 6 district governing board or its designee to determine the time frame,
 7 operational considerations and the appropriate continuation of existing
 8 improvements that are necessary to assure a smooth transition of authority
 9 from the other organization back to the school district governing board.

10 Y. If an alternative operation plan is provided pursuant to subsection
 11 W of this section, the state board of education shall pay for the operation
 12 of the school and shall adjust the school district's ~~student count pursuant~~
 13 ~~to section 15-902,~~ soft capital allocation pursuant to section 15-962,
 14 capital outlay revenue limit pursuant to section 15-961, base support level
 15 pursuant to section 15-943, monies distributed from the classroom site fund
 16 established by section 15-977 and transportation support level pursuant to
 17 section 15-945 to accurately reflect any reduction in district services that
 18 are no longer provided to that school by the district. The state board of
 19 education may modify the school district's revenue control limit, the
 20 district support level and the general budget limit calculated pursuant to
 21 section 15-947 by an amount that corresponds to this reduction in services.
 22 The state board of education shall retain the portion of state aid that would
 23 otherwise be due the school district for the school and shall distribute that
 24 portion of state aid directly to the organization that contracts with the
 25 state board of education to operate the school.

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

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

35 Within the last five years, (number of schools) schools in the
 36 _____ school district have been designated as "schools
 37 failing to meet academic standards" by the superintendent of
 38 public instruction.

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

42 CC. The failing schools tutoring fund is established consisting of
 43 monies collected pursuant to section 42-5029, subsection E as designated for
 44 this purpose. The department of education shall administer the fund. The
 45 department of education may use monies from the fund to purchase materials

1 designed to assist students to meet the Arizona academic standards and to
2 achieve a passing score on the Arizona instrument to measure standards test
3 in order to graduate from high school.

4 DD. The department of education may develop a classification label for
5 school districts and charter school operators. If the department of
6 education develops a classification label for school districts and charter
7 school operators, the classification label may be developed from the
8 following components:

9 1. Measures of academic progress.

10 2. Pupil assessment data.

11 3. The attendance rates and graduation rates of pupils who are
12 educated in that charter school operator's charter schools or in that school
13 district's schools.

14 4. The percentage of the parents of pupils enrolled in that charter
15 school operator's charter schools or in that school district's schools that
16 categorizes the quality of their child's education as excellent on a parental
17 rating of school quality.

18 EE. The state board of education shall determine appropriate
19 modifications to the criteria used to calculate achievement profiles for
20 schools that participate in the board examination system prescribed in
21 chapter 7, article 6 of this title.

22 Sec. 7. Repeal

23 Section 15-241, Arizona Revised Statutes, as amended by Laws 2010,
24 chapter 318, section 4, is repealed.

25 Sec. 8. Section 15-241, Arizona Revised Statutes, as amended by
26 section 6 of this act, is amended to read:

27 15-241. School and school district accountability; failing
28 schools tutoring fund; classification label for
29 school districts and charter school operators

30 A. The department of education shall compile an annual achievement
31 profile for each public school AND SCHOOL DISTRICT.

32 B. Each school AND SCHOOL DISTRICT shall submit to the department any
33 data that is required and requested and that is necessary to compile the
34 achievement profile. A school OR SCHOOL DISTRICT that fails to submit the
35 information that is necessary is not eligible to receive monies from the
36 classroom site fund established by section 15-977.

37 C. The department shall establish a baseline achievement profile for
38 each school AND SCHOOL DISTRICT. The baseline achievement profile shall be
39 used to determine a standard measurement of acceptable academic progress for
40 each school AND SCHOOL DISTRICT and a school AND SCHOOL DISTRICT
41 classification pursuant to subsection H of this section. Any disclosure of
42 educational records compiled by the department of education pursuant to this
43 section shall comply with the family educational and privacy rights act of
44 1974 (20 United States Code section 1232g).

1 D. The achievement profile for schools AND SCHOOL DISTRICTS that offer
2 instruction in kindergarten programs and grades one through eight, or any
3 combination of those programs or grades, shall include the following school
4 academic performance indicators:

5 1. The Arizona measure of academic progress. The department shall
6 compute the extent of academic progress made by the pupils in each school AND
7 SCHOOL DISTRICT during the course of each year.

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

18 3. The results of English language learners tests administered
19 pursuant to section 15-756, subsection B, section 15-756.05 and section
20 15-756.06.

21 E. The achievement profile for schools AND SCHOOL DISTRICTS that offer
22 instruction in grades nine through twelve, or any combination of those
23 grades, shall include the following school academic performance indicators:

24 1. THE ARIZONA MEASURE OF ACADEMIC PROGRESS. THE DEPARTMENT SHALL
25 COMPUTE THE EXTENT OF ACADEMIC PROGRESS MADE BY THE PUPILS AT EACH SCHOOL.

26 ~~1-~~ 2. The Arizona instrument to measure standards test. The
27 department shall compute the percentage of pupils pursuant to subsection G of
28 this section who meet or exceed the standard on the Arizona instrument to
29 measure standards test, as prescribed by the state board of education. The
30 superintendent of public instruction and the department may calculate
31 academic gain on the Arizona instrument to measure standards test according
32 to each of the school classifications prescribed in subsection G of this
33 section on a statewide basis, for each school district in this state and for
34 each school by determining the average scale scores for students in the
35 current academic year as compared to the average scale scores for the
36 previous academic year for the same students.

37 ~~2-~~ 3. The annual dropout rate.

38 ~~3-~~ 4. The annual graduation rate.

39 ~~4-~~ 5. The results of English language learners tests administered
40 pursuant to section 15-756, subsection B, section 15-756.05 and section
41 15-756.06.

42 F. Schools AND SCHOOL DISTRICTS that offer instruction in all or a
43 combination of the grades specified in subsections D and E of this section
44 shall include a single achievement profile for that school AND SCHOOL

1 DISTRICT that includes the school academic performance indicators specified
2 in subsections D and E of this section.

3 G. Subject to final adoption by the state board of education, the
4 department shall determine the criteria for each school AND SCHOOL DISTRICT
5 classification using a research based methodology. The methodology shall
6 include the performance of pupils at all achievement levels, account for
7 pupil mobility, account for the distribution of pupil achievement at each
8 school AND SCHOOL DISTRICT and include longitudinal indicators of academic
9 performance. FIFTY PER CENT OF THE SCHOOL AND SCHOOL DISTRICT CLASSIFICATION
10 DETERMINATION SHALL CONSIST OF ACADEMIC PERFORMANCE MEASUREMENTS. FIFTY PER
11 CENT OF THE ACADEMIC PERFORMANCE MEASUREMENT SHALL CONSIST OF A MEASUREMENT
12 OF ACADEMIC GAIN FOR ALL PUPILS ENROLLED AT THE SCHOOL OR SCHOOL DISTRICT AND
13 FIFTY PER CENT OF THE ACADEMIC PERFORMANCE MEASUREMENTS SHALL CONSIST OF A
14 MEASUREMENT OF THE TWENTY-FIVE PER CENT OF PUPILS WITH THE LOWEST ACADEMIC
15 PERFORMANCE MEASUREMENT ENROLLED AT THE SCHOOL OR SCHOOL DISTRICT. For the
16 purposes of this subsection, "research based methodology" means the
17 systematic and objective application of statistical and quantitative research
18 principles to determine a standard measurement of acceptable academic
19 progress for each school AND SCHOOL DISTRICT.

20 H. Except as provided in subsection EE of this section, the
21 achievement profile shall be used to determine a school AND SCHOOL DISTRICT
22 classification that ~~designates each school as one of the following~~ USES A
23 LETTER GRADE SYSTEM AS FOLLOWS:

- 24 ~~1. An excelling school.~~
- 25 ~~2. A highly performing school.~~
- 26 ~~3. A performing school.~~
- 27 ~~4. An underperforming school.~~
- 28 ~~5. A school failing to meet academic standards.~~

29 1. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF A SHALL
30 DEMONSTRATE AN EXCELLENT LEVEL OF PERFORMANCE.

31 2. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF B SHALL
32 DEMONSTRATE AN ABOVE AVERAGE LEVEL OF PERFORMANCE.

33 3. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF C SHALL
34 DEMONSTRATE AN AVERAGE LEVEL OF PERFORMANCE.

35 4. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF D SHALL
36 DEMONSTRATE A BELOW AVERAGE LEVEL OF PERFORMANCE.

37 5. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF F SHALL
38 DEMONSTRATE A FAILING LEVEL OF PERFORMANCE.

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

42 J. Subject to final adoption by the state board of education, the
43 department of education shall develop a parallel achievement profile for
44 accommodation schools, alternative schools as defined by the state board of

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

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

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

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

1 N. The department of education shall establish an appeals process, to
2 be approved by the state board of education, for a school to appeal data used
3 to determine the achievement profile of the school. The criteria established
4 shall be based on mitigating factors and may include a visit to the school
5 site by the department of education.

6 O. If a school ~~remains classified as an underperforming school~~ IS
7 ASSIGNED A LETTER GRADE OF D for a third consecutive year, the department of
8 education shall visit the school site to confirm the classification data and
9 to review the implementation of the school's improvement plan. The school
10 shall be ~~classified as failing to meet academic standards~~ ASSIGNED A LETTER
11 GRADE OF F unless an alternate ~~classification~~ LETTER GRADE is made ASSIGNED
12 after an appeal pursuant to subsection N of this section.

13 P. The school district governing board, within thirty days of
14 receiving notice of the school ~~failing to meet academic standards~~
15 ~~classification~~ BEING ASSIGNED A LETTER GRADE OF F, shall provide written
16 notification of the classification to each residence in the attendance area
17 of the school. The notice shall explain the improvement plan process and
18 provide information regarding the public meeting required by subsection S of
19 this section.

20 Q. The superintendent of public instruction IN COLLABORATION WITH THE
21 COUNTY EDUCATIONAL SERVICE AGENCY, based on need, shall assign a solutions
22 team to ~~an underperforming school~~ A SCHOOL ASSIGNED A LETTER GRADE OF D, a
23 school ~~failing to meet academic standards~~ ASSIGNED A LETTER GRADE OF F or any
24 other school pursuant to a mutual agreement between the department of
25 education and the school comprised of master teachers, fiscal analysts and
26 curriculum assessment experts who are certified by the state board of
27 education as Arizona academic standards technicians. The department of
28 education OR THE COUNTY EDUCATIONAL SERVICE AGENCY may hire or contract with
29 administrators, principals and teachers who have demonstrated experience with
30 the characteristics and situations in ~~an underperforming school or a school~~
31 ~~failing to meet academic standards~~ A SCHOOL ASSIGNED A LETTER GRADE OF D OR F
32 and may use these personnel as part of the solutions team. The department of
33 education shall work with staff at the school to assist in curricula
34 alignment and shall instruct teachers on how to increase pupil academic
35 progress, considering the school's achievement profile. The solutions team
36 shall consider the existing improvement plan to assess the need for changes
37 to curriculum, professional development and resource allocation and shall
38 present a statement of its findings to the school administrator and district
39 superintendent. Within forty-five days after the presentation of the
40 solutions team's statement of findings, the school district governing board,
41 in cooperation with each school within the school district that is ~~designated~~
42 ~~an underperforming school~~ ASSIGNED A LETTER GRADE OF D and its assigned
43 solutions team representative, shall develop and submit to the department of
44 education AND THE COUNTY EDUCATIONAL SERVICE AGENCY an action plan that
45 details the manner in which the school district will assist the school as the

1 school incorporates the findings of the solutions team into the improvement
2 plan. The department of education shall review the action plan and shall
3 either accept the action plan or return the action plan to the school
4 district for modification. If the school district does not submit an
5 approved action plan within forty-five days, the state board of education may
6 direct the superintendent of public instruction to withhold up to ten per
7 cent of state monies that the school district would otherwise be entitled to
8 receive each month until the plan is submitted to the department of education
9 **AND THE COUNTY EDUCATIONAL SERVICE AGENCY**, at which time those monies shall
10 be returned to the school district.

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

34 S. Within sixty days of receiving notification of ~~designation as a~~
35 school ~~failing to meet academic standards~~ **BEING ASSIGNED A LETTER GRADE OF F**,
36 the school district governing board shall evaluate needed changes to the
37 existing improvement plan for the school, consider recommendations from the
38 solutions team, submit a copy of the plan to the superintendent of public
39 instruction **AND THE COUNTY EDUCATIONAL SERVICE AGENCY** and supervise the
40 implementation of the plan. Within thirty days after submitting the
41 improvement plan to the superintendent of public instruction, the governing
42 board shall hold a public meeting in each school that has been ~~designated as~~
43 ~~a school failing to meet academic standards~~ **ASSIGNED A LETTER GRADE OF F** and
44 shall present the respective improvement plans that have been developed for
45 each school.

1 T. A school that has not submitted an improvement plan pursuant to
2 subsection S of this section is not eligible to receive monies from the
3 classroom site fund established by section 15-977 for every day that a plan
4 has not been received by the superintendent of public instruction within the
5 time specified in subsection S of this section plus an additional ninety
6 days. The state board of education shall require the superintendent of the
7 school district to testify before the board and explain the reasons that an
8 improvement plan for that school has not been submitted.

9 U. If a charter school is ~~designated as a school failing to meet~~
10 ~~academic standards~~ ASSIGNED A LETTER GRADE OF F, the department of education
11 shall immediately notify the charter school's sponsor. The charter school's
12 sponsor shall either take action to restore the charter school to acceptable
13 performance or revoke the charter school's charter. Within thirty days the
14 school shall notify the parents of the students attending the school of the
15 classification and of any pending public meetings to review the issue.

16 V. A school that has been ~~designated as a school failing to meet~~
17 ~~academic standards~~ ASSIGNED A LETTER GRADE OF F shall be evaluated by the
18 department of education to determine if the school failed to properly
19 implement its school improvement plan, align the curriculum with academic
20 standards, provide teacher training, prioritize the budget or implement other
21 proven strategies to improve academic performance. After visiting the school
22 site pursuant to subsection O of this section, the department of education
23 shall submit to the state board of education a recommendation to proceed
24 pursuant to subsections Q, R and S of this section or that the school be
25 subject to a public hearing to determine if the school failed to properly
26 implement its improvement plan and the reasons for the department's
27 recommendation.

28 W. If the department does recommend a public hearing, the state board
29 of education shall meet and may provide by a majority vote at the public
30 hearing for the continued operation of the school as allowed by this
31 subsection. The state board of education shall determine whether
32 governmental, nonprofit and private organizations may submit applications to
33 the state board to fully or partially manage the school. The state board's
34 determination shall include:

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

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

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

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

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

43 X. The state board shall periodically review the status of a school
44 that is operated by an organization other than the school district governing
45 board to determine whether the operation of the school should be returned to

1 the school district governing board. Before the state board makes a
 2 determination, the state board or its designee shall meet with the school
 3 district governing board or its designee to determine the time frame,
 4 operational considerations and the appropriate continuation of existing
 5 improvements that are necessary to assure a smooth transition of authority
 6 from the other organization back to the school district governing board.

7 Y. If an alternative operation plan is provided pursuant to subsection
 8 W of this section, the state board of education shall pay for the operation
 9 of the school and shall adjust the school district's soft capital allocation
 10 pursuant to section 15-962, capital outlay revenue limit pursuant to section
 11 15-961, base support level pursuant to section 15-943, monies distributed
 12 from the classroom site fund established by section 15-977 and transportation
 13 support level pursuant to section 15-945 to accurately reflect any reduction
 14 in district services that are no longer provided to that school by the
 15 district. The state board of education may modify the school district's
 16 revenue control limit, the district support level and the general budget
 17 limit calculated pursuant to section 15-947 by an amount that corresponds to
 18 this reduction in services. The state board of education shall retain the
 19 portion of state aid that would otherwise be due the school district for the
 20 school and shall distribute that portion of state aid directly to the
 21 organization that contracts with the state board of education to operate the
 22 school.

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

26 AA. If there are more than two schools in a district and more than
 27 one-half, or in any case more than five, of the schools in the district are
 28 ~~designated as schools failing to meet academic standards~~ ASSIGNED A LETTER
 29 GRADE OF F for more than two consecutive years, in the next election of
 30 members of the governing board the election ballot shall contain the
 31 following statement immediately above the listing of governing board
 32 candidates:

33 Within the last five years, (number of schools) schools in the
 34 _____ school district have been designated as "schools
 35 failing to meet academic standards" by the superintendent of
 36 public instruction.

37 BB. At least twice each year the department of education shall publish
 38 in a newspaper of general circulation in each county of this state a list of
 39 schools that are ~~designated as schools failing to meet academic standards~~
 40 ASSIGNED A LETTER GRADE OF F.

41 CC. The failing schools tutoring fund is established consisting of
 42 monies collected pursuant to section 42-5029, subsection E as designated for
 43 this purpose. The department of education shall administer the fund. The
 44 department of education may use monies from the fund to purchase materials
 45 designed to assist students to meet the Arizona academic standards and to

1 achieve a passing score on the Arizona instrument to measure standards test
2 in order to graduate from high school.

3 DD. The department of education may develop a classification label for
4 school districts and charter school operators. If the department of
5 education develops a classification label for school districts and charter
6 school operators, the classification label may be developed from the
7 following components:

8 1. Measures of academic progress.

9 2. Pupil assessment data.

10 3. The attendance rates and graduation rates of pupils who are
11 educated in that charter school operator's charter schools or in that school
12 district's schools.

13 4. The percentage of the parents of pupils enrolled in that charter
14 school operator's charter schools or in that school district's schools that
15 categorizes the quality of their child's education as excellent on a parental
16 rating of school quality.

17 EE. The state board of education shall determine appropriate
18 modifications to the criteria used to calculate achievement profiles for
19 schools that participate in the board examination system prescribed in
20 chapter 7, article 6 of this title.

21 Sec. 9. Repeal

22 Section 15-241, Arizona Revised Statutes, as amended by Laws 2010,
23 chapter 247, section 1, is repealed.

24 Sec. 10. Repeal

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

27 Sec. 11. Section 15-393, Arizona Revised Statutes, as amended by Laws
28 2010, chapter 285, section 1 and chapter 306, section 3, is amended to read:

29 15-393. Joint technical education district governing board:
30 report; definition

31 A. The management and control of the joint district are vested in the
32 joint technical education district governing board, including the content and
33 quality of the courses offered by the district, the quality of teachers who
34 provide instruction on behalf of the district, the salaries of teachers who
35 provide instruction on behalf of the district and the reimbursement of other
36 entities for the facilities used by the district. Unless the governing
37 boards of the school districts participating in the formation of the joint
38 district vote to implement an alternative election system as provided in
39 subsection B of this section, the joint board shall consist of five members
40 elected from five single member districts formed within the joint district.
41 The single member district election system shall be submitted as part of the
42 plan for the joint district pursuant to section 15-392 and shall be
43 established in the plan as follows:

44 1. The governing boards of the school districts participating in the
45 formation of the joint district shall define the boundaries of the single

1 member districts so that the single member districts are as nearly equal in
2 population as is practicable, except that if the joint district lies in part
3 in each of two or more counties, at least one single member district may be
4 entirely within each of the counties comprising the joint district if this
5 district design is consistent with the obligation to equalize the population
6 among single member districts.

7 2. The boundaries of each single member district shall follow election
8 precinct boundary lines, as far as practicable, in order to avoid further
9 segmentation of the precincts.

10 3. A person who is a registered voter of this state and who is a
11 resident of the single member district is eligible for election to the office
12 of joint board member from the single member district. The terms of office
13 of the members of the joint board shall be as prescribed in section 15-427,
14 subsection B. An employee of a joint technical education district or the
15 spouse of an employee shall not hold membership on a governing board of a
16 joint technical education district by which the employee is employed. A
17 member of one school district governing board or joint technical education
18 district governing board is ineligible to be a candidate for nomination or
19 election to or serve simultaneously as a member of any other governing board,
20 except that a member of a governing board may be a candidate for nomination
21 or election for any other governing board if the member is serving in the
22 last year of a term of office. A member of a governing board shall resign
23 the member's seat on the governing board before becoming a candidate for
24 nomination or election to the governing board of any other school district or
25 joint technical education district, unless the member of the governing board
26 is serving in the last year of a term of office.

27 4. Nominating petitions shall be signed by the number of qualified
28 electors of the single member district as provided in section 16-322.

29 B. The governing boards of the school districts participating in the
30 formation of the joint district may vote to implement any other alternative
31 election system for the election of joint district board members. If an
32 alternative election system is selected, it shall be submitted as part of the
33 plan for the joint district pursuant to section 15-392, and the
34 implementation of the system shall be as approved by the United States
35 justice department.

36 C. The joint technical education district shall be subject to the
37 following provisions of this title:

- 38 1. Chapter 1, articles 1 through 6.
- 39 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 40 3. Articles 2, 3 and 5 of this chapter.
- 41 4. Section 15-361.
- 42 5. Chapter 4, articles 1, 2 and 5.
- 43 6. Chapter 5, articles 1, 2 and 3.
- 44 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
45 and 15-730.

1 8. Chapter 7, article 5.

2 9. Chapter 8, articles 1, 3 and 4.

3 10. Sections 15-828 and 15-829.

4 11. Chapter 9, article 1, article 6, except for section 15-995, and
5 article 7.

6 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.

7 13. Sections 15-1101 and 15-1104.

8 14. Chapter 10, articles 2, 3, 4 and 8.

9 D. Notwithstanding subsection C of this section, the following apply
10 to a joint technical education district:

11 1. A joint district may issue bonds for the purposes specified in
12 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
13 aggregate, including the existing indebtedness, not exceeding one per cent of
14 the taxable property used for secondary tax purposes, as determined pursuant
15 to title 42, chapter 15, article 1, within the joint technical education
16 district as ascertained by the last property tax assessment previous to
17 issuing the bonds.

18 2. The number of governing board members for a joint district shall be
19 as prescribed in subsection A of this section.

20 3. If a career and technical education and vocational education course
21 or program provided pursuant to this article is provided in a facility owned
22 or operated by a school district in which a pupil is enrolled, including
23 satellite courses, the sum of the daily attendance, as provided in section
24 15-901, subsection A, paragraph ~~6~~ 5, for that pupil in both the school
25 district and joint technical education district shall not exceed 1.25 and the
26 sum of the fractional student enrollment, as provided in section 15-901,
27 subsection A, paragraph ~~2~~ 1, subdivision (a), shall not exceed 1.25 for the
28 courses taken in the school district and the facility, including satellite
29 courses. The school district and the joint district shall determine the
30 apportionment of the daily attendance and fractional student enrollment for
31 that pupil between the school district and the joint district. Pupils in an
32 approved joint technical education district satellite program may generate an
33 average daily attendance for attendance hours during any hour of the day,
34 during any day of the week and at any time beginning July 1 through June 30
35 of each fiscal year.

36 4. The student count for the first year of operation of a joint
37 technical education district as provided in this article shall be determined
38 as follows:

39 (a) Determine the estimated student count for joint district classes
40 that will operate in the first year of operation. This estimate shall be
41 based on actual registration of pupils as of March 30 scheduled to attend
42 classes that will be operated by the joint district. The student count for
43 the district of residence of the pupils registered at the joint district
44 shall be adjusted. The adjustment shall cause the district of residence to
45 reduce the student count for the pupil to reflect the courses to be taken at

1 the joint district. The district of residence shall review and approve the
2 adjustment of its own student count as provided in this subdivision before
3 the pupils from the school district can be added to the student count of the
4 joint district.

5 (b) The student count for the new joint district shall be the student
6 count as determined in subdivision (a) of this paragraph.

7 (c) After the first one hundred days or two hundred days in session,
8 as applicable, for the first year of operation, the joint district shall
9 revise the student count to the actual student count for students attending
10 classes in the joint district. A joint district shall revise its student
11 count, the base support level as provided in section 15-943.02, the revenue
12 control limit as provided in section 15-944.01, the capital outlay revenue
13 limit and the soft capital allocation as provided in section 15-962.01 prior
14 to May 15. A joint district that overestimated its student count shall
15 revise its budget prior to May 15. A joint district that underestimated its
16 student count may revise its budget prior to May 15.

17 (d) After the first one hundred days or two hundred days in session,
18 as applicable, for the first year of operation, the district of residence
19 shall adjust its student count by reducing it to reflect the courses actually
20 taken at the joint district. The district of residence shall revise its
21 student count, the base support level as provided in section 15-943, the
22 revenue control limit as provided in section 15-944, the capital outlay
23 revenue limit as provided in section 15-961 and the soft capital allocation
24 as provided in section 15-962 prior to May 15. A district that
25 underestimated the student count for students attending the joint district
26 shall revise its budget prior to May 15. A district that overestimated the
27 student count for students attending the joint district may revise its budget
28 prior to May 15.

29 (e) A joint district for the first year of operation shall not be
30 eligible for adjustment pursuant to section 15-948.

31 (f) The procedures for implementing this paragraph shall be as
32 prescribed in the uniform system of financial records.

33 (g) Pupils in an approved joint technical education district
34 centralized program may generate an average daily attendance of 1.0 for
35 attendance hours during any hour of the day, during any day of the week and
36 at any time between July 1 and June 30 of each fiscal year.

37 For the purposes of this paragraph, "district of residence" means the
38 district that included the pupil in its average daily membership for the year
39 before the first year of operation of the joint district and that would have
40 included the pupil in its student count for the purposes of computing its
41 base support level for the fiscal year of the first year of operation of the
42 joint district if the pupil had not enrolled in the joint district.

43 5. A student includes any person enrolled in the joint district
44 without regard to the person's age or high school graduation status, except
45 that:

1 (a) A student in a kindergarten program or in grades one through eight
2 who enrolls in courses offered by the joint technical education district
3 shall not be included in the joint district's ~~average daily attendance or~~
4 average daily membership.

5 (b) A student in a kindergarten program or in grades one through eight
6 who is enrolled in vocational education courses shall not be funded in whole
7 or in part with monies provided by a joint technical education district.

8 (c) A student who is over twenty-two years of age shall not be
9 included in the student count of the joint district for the purposes of
10 chapter 9, articles 3, 4 and 5 of this title.

11 (d) A student in grade nine who enrolls in a career exploration course
12 shall not be included in the joint district's ~~average daily attendance or~~
13 average daily membership.

14 6. A joint district may operate for more than one hundred seventy-five
15 days per year, with expanded hours of service.

16 7. A joint district may use the excess utility costs provisions of
17 section 15-910 in the same manner as a school district for fiscal years
18 1999-2000 and 2000-2001, except that the base year shall be the first full
19 fiscal year of operations.

20 8. A joint district may use the carryforward provisions of section
21 15-943.01 retroactively to July 1, 1993.

22 9. A school district that is part of a joint district shall use any
23 monies received pursuant to this article to supplement and not supplant base
24 year career and technical education and vocational education courses, and
25 directly related equipment and facilities, except that a school district that
26 is part of a joint technical education district and that has used monies
27 received pursuant to this article to supplant career and technological
28 education and vocational education courses that were offered before the first
29 year that the school district participated in the joint district or the first
30 year that the school district used monies received pursuant to this article
31 or that used the monies for purposes other than for career and technological
32 education and vocational education courses shall use one hundred per cent of
33 the monies received pursuant to this article to supplement and not supplant
34 base year career and technical education and vocational education courses.

35 10. A joint technical education district shall use any monies received
36 pursuant to this article to enhance and not supplant career and technical
37 education and vocational education courses and directly related equipment and
38 facilities.

39 11. A joint technical education district or a school district that is
40 part of a joint district shall only include pupils in grades nine through
41 twelve in the calculation of average daily membership ~~or average daily~~
42 ~~attendance~~ if the pupils are enrolled in courses that are approved jointly by
43 the governing board of the joint technical education district and each
44 participating school district for satellite courses taught within the
45 participating school district, or approved solely by the joint technical

1 education district for centrally located courses. Average daily membership
2 ~~and average daily attendance~~ from courses that are not part of an approved
3 program for career and technical education shall not be included in average
4 daily membership ~~and average daily attendance~~ of a joint technical education
5 district. A student in grade nine who enrolls in a career exploration course
6 shall not be included in the joint district's ~~average daily attendance or~~
7 average daily membership.

8 E. The joint board shall appoint a superintendent as the executive
9 officer of the joint district.

10 F. Taxes may be levied for the support of the joint district as
11 prescribed in chapter 9, article 6 of this title, except that a joint
12 technical education district shall not levy a property tax pursuant to law
13 that exceeds five cents per one hundred dollars assessed valuation except for
14 bond monies pursuant to subsection D, paragraph 1 of this section. Except
15 for the taxes levied pursuant to section 15-994, such taxes shall be obtained
16 from a levy of taxes on the taxable property used for secondary tax purposes.

17 G. The schools in the joint district are available to all persons who
18 reside in the joint district subject to the rules for admission prescribed by
19 the joint board.

20 H. The joint board may collect tuition for adult students and the
21 attendance of pupils who are residents of school districts that are not
22 participating in the joint district pursuant to arrangements made between the
23 governing board of the district and the joint board.

24 I. The joint board may accept gifts, grants, federal monies, tuition
25 and other allocations of monies to erect, repair and equip buildings and for
26 the cost of operation of the schools of the joint district.

27 J. One member of the joint board shall be selected chairman. The
28 chairman shall be selected annually on a rotation basis from among the
29 participating school districts. The chairman of the joint board shall be a
30 voting member.

31 K. A joint board and a community college district may enter into
32 agreements for the provision of administrative, operational and educational
33 services and facilities.

34 L. Any agreement between the governing board of a joint technical
35 education district and another joint technical education district, a school
36 district, a charter school or a community college district shall be in the
37 form of an intergovernmental agreement or other written contract. The
38 auditor general shall modify the uniform system of financial records and
39 budget forms in accordance with this subsection. The intergovernmental
40 agreement or other written contract shall completely and accurately specify
41 each of the following:

42 1. The financial provisions of the intergovernmental agreement or
43 other written contract and the format for the billing of all services.

44 2. The accountability provisions of the intergovernmental agreement or
45 other written contract.

1 3. The responsibilities of each joint technical education district,
2 each school district, each charter school and each community college district
3 that is a party to the intergovernmental agreement or other written contract.

4 4. The type of instruction that will be provided under the
5 intergovernmental agreement or other written contract, including
6 individualized education programs pursuant to section 15-763.

7 5. The quality of the instruction that will be provided under the
8 intergovernmental agreement or other written contract.

9 6. The transportation services that will be provided under the
10 intergovernmental agreement or other written contract and the manner in which
11 transportation costs will be paid.

12 7. The amount that the joint technical education district will
13 contribute to a course and the amount of support required by the school
14 district or the community college.

15 8. That the services provided by the joint technical education
16 district, the school district, the charter school or the community college
17 district be proportionally calculated in the cost of delivering the service.

18 9. That the payment for services shall not exceed the cost of the
19 services provided.

20 10. That any initial intergovernmental agreement or other written
21 contract and any addendums between the governing board of a joint technical
22 education district and another joint technical education district, a school
23 district, a charter school or a community college district be submitted by
24 the joint technical education district to the joint legislative budget
25 committee for review.

26 M. On or before December 31 of each year, each joint technical
27 education district shall submit a detailed report to the career and technical
28 education division of the department of education. The career and technical
29 education division of the department of education shall collect, summarize
30 and analyze the data submitted by the joint districts, shall submit an annual
31 report that summarizes the data submitted by the joint districts to the
32 governor, the speaker of the house of representatives, the president of the
33 senate and the state board of education and shall submit a copy of this
34 report to the secretary of state. The data submitted by each joint technical
35 education district shall include the following:

36 1. The average daily membership of the joint district.

37 2. The program listings and program descriptions of programs offered
38 by the joint district, including the course sequences for each program.

39 3. The costs associated with each program offered by the joint
40 district.

41 4. The completion rate for each program offered by the joint district.
42 For the purposes of this paragraph, "completion rate" means the completion
43 rate for students who are designated as concentrators in that program by the
44 department of education under the career and technology approved plan.

1 5. The graduation rate from the school district of residence of
2 students who have completed a program in the joint district.

3 6. A detailed description of the career opportunities available to
4 students after completion of the program offered by the joint district.

5 7. A detailed description of the career placement of students who have
6 completed the program offered by the joint district.

7 8. Any other data deemed necessary by the department of education to
8 carry out its duties under this subsection.

9 N. If the career and technical education division of the department of
10 education determines that a course does not meet the criteria for approval as
11 a joint technical education course, the governing board of the joint
12 technical education district may appeal this decision to the state board of
13 education acting as the state board of vocational education.

14 O. Notwithstanding any other law, the average daily membership of a
15 pupil who is enrolled in a course that meets for at least one hundred fifty
16 minutes per class period at a centralized campus owned and operated by a
17 joint technical education district shall be 0.75. The sum of daily
18 attendance, as provided in section 15-901, subsection A, paragraph 6 and the
19 sum of the fractional student enrollment, as provided in section 15-901,
20 subsection A, paragraph 2, subdivision (a), for that pupil in both the member
21 school district and joint technical education district courses provided at a
22 community college pursuant to subsection K of this section or at a facility
23 owned and operated by a joint technical education district that is not
24 located on a site of a member district shall not exceed 1.75. The member
25 school district and the joint district shall determine the apportionment of
26 the daily attendance and student enrollment for that pupil between the member
27 school district and the joint district, except the amount apportioned shall
28 not exceed 1.0 for either entity.

29 P. For the purposes of this section, "base year" means the complete
30 school year in which voters of a school district elected to join a joint
31 technical education district.

32 Sec. 12. Repeal

33 Section 15-393, Arizona Revised Statutes, as amended by Laws 2010,
34 chapter 318, section 5, is repealed.

35 Sec. 13. Section 15-808, Arizona Revised Statutes, as amended by Laws
36 2010, chapter 306, section 5, is amended to read:

37 15-808. Arizona online instruction; reports; definitions

38 A. Arizona online instruction shall be instituted to meet the needs of
39 pupils in the information age. The state board of education shall select
40 traditional public schools and the state board for charter schools shall
41 sponsor charter schools to be online course providers or online schools. The
42 state board of education and the state board for charter schools shall
43 jointly develop standards for the approval of online course providers and
44 online schools based on the following criteria:

- 45 1. The depth and breadth of curriculum choices.

1 2. The variety of educational methodologies employed by the school and
2 the means of addressing the unique needs and learning styles of targeted
3 pupil populations, including computer assisted learning systems, virtual
4 classrooms, virtual laboratories, electronic field trips, electronic mail,
5 virtual tutoring, online help desk, group chat sessions and noncomputer based
6 activities performed under the direction of a certificated teacher.

7 3. The availability of an intranet or private network to safeguard
8 pupils against predatory and pornographic elements of the internet.

9 4. The availability of filtered research access to the internet.

10 5. The availability of private individual electronic mail between
11 pupils, teachers, administrators and parents in order to protect the
12 confidentiality of pupil records and information.

13 6. The availability of faculty members who are experienced with
14 computer networks, the internet and computer animation.

15 7. The extent to which the school intends to develop partnerships with
16 universities, community colleges and private businesses.

17 8. The services offered to developmentally disabled populations.

18 9. The grade levels that will be served.

19 B. Each new school that provides online instruction shall provide
20 online instruction on a probationary status. After a new school that
21 provides online instruction has clearly demonstrated the academic integrity
22 of its instruction through the actual improvement of the academic performance
23 of its students, the school may apply to be removed from probationary status.
24 The state board of education or the state board for charter schools shall
25 remove from Arizona online instruction any probationary school that fails to
26 clearly demonstrate improvement in academic performance within three years
27 measured against goals in the approved application and the state's
28 accountability system. The state board of education and the state board for
29 charter schools shall review the effectiveness of each participating school
30 and other information that is contained in the annual report prescribed in
31 subsection D of this section. All pupils who participate in Arizona online
32 instruction shall reside in this state. Pupils who participate in Arizona
33 online instruction are subject to the testing requirements prescribed in
34 chapter 7, article 3 of this title. Upon enrollment, the school shall notify
35 the parents or guardians of the pupil of the state testing requirements. If
36 a pupil fails to comply with the testing requirements and the school
37 administers the tests pursuant to this subsection to less than ninety-five
38 per cent of the pupils in Arizona online instruction, the pupil shall not be
39 allowed to participate in Arizona online instruction.

40 C. Beginning July 1, 2010, the state board of education and the state
41 board for charter schools shall develop annual reporting mechanisms for
42 schools that participate in Arizona online instruction.

43 D. The department of education shall compile the information submitted
44 in the annual reports by schools participating in Arizona online instruction.
45 The department of education shall submit the compiled report to the governor,

1 the speaker of the house of representatives and the president of the senate
2 by November 15 of each year.

3 E. Each school selected for Arizona online instruction shall ensure
4 that a daily log is maintained for each pupil who participates in Arizona
5 online instruction. The daily log shall describe the amount of time spent by
6 each pupil participating in Arizona online instruction pursuant to this
7 section on academic tasks. The daily log shall be used by the school
8 district or charter school to qualify the pupils who participate in Arizona
9 online instruction in the school's average daily attendance calculations
10 pursuant to ~~section 15-901~~ SUBSECTION F OF THIS SECTION.

11 F. If a pupil is enrolled in a school district or charter school and
12 also participates in Arizona online instruction, the sum of the average daily
13 membership, which includes enrollment as prescribed in section 15-901,
14 subsection A, paragraph ~~2- 1~~, subdivisions (a) and (b) and daily attendance
15 as prescribed in section 15-901, subsection A, paragraph ~~6- 5~~, for that pupil
16 in the school district or charter school and in Arizona online instruction
17 shall not exceed 1.0. If the pupil is enrolled in a school district or a
18 charter school and also participates in Arizona online instruction and the
19 sum of the daily membership or daily attendance for that pupil is greater
20 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
21 the school district, unless the school district is a joint technical
22 education district subject to the apportionment requirements of section
23 15-393, or charter school and Arizona online instruction based on the
24 percentage of total time that the pupil is enrolled or in attendance in the
25 school district or charter school and Arizona online instruction. The
26 uniform system of financial records shall include guidelines for the
27 apportionment of the pupil enrollment and attendance as provided in this
28 subsection. Pupils in Arizona online instruction do not incur absences for
29 purposes of ~~section 15-901~~ THIS SUBSECTION and may generate an average daily
30 attendance of 1.0 for attendance hours during any hour of the day, during any
31 day of the week and at any time between July 1 and June 30 of each fiscal
32 year. For kindergarten programs and grades one through eight, average daily
33 membership shall be calculated by dividing the instructional hours as
34 reported in the daily log required in subsection E of this section by the
35 applicable hourly requirements prescribed in section 15-901. For grades nine
36 through twelve, average daily membership shall be calculated by dividing the
37 instructional hours as reported in the daily log required in subsection E of
38 this section by nine hundred. The average daily membership of a pupil who
39 participates in online instruction shall not exceed 1.0. Average daily
40 membership shall not be calculated on the one hundredth day of instruction
41 for the purposes of this section. Funding shall be determined as follows:

42 1. A pupil who is enrolled full-time in Arizona online instruction
43 shall be funded for online instruction at ninety-five per cent of the base
44 support level that would be calculated for that pupil if that pupil were
45 enrolled as a full-time student in a school district or charter school that

1 does not participate in Arizona online instruction. Additional assistance,
2 capital outlay revenue limit and soft capital allocation limit shall be
3 calculated in the same manner they would be calculated if the student were
4 enrolled in a district or charter school that does not participate in Arizona
5 online instruction.

6 2. A pupil who is enrolled part-time in Arizona online instruction
7 shall be funded for online instruction at eighty-five per cent of the base
8 support level that would be calculated for that pupil if that pupil were
9 enrolled as a part-time student in a school district or charter school that
10 does not participate in Arizona online instruction. Additional assistance,
11 capital outlay revenue limit and soft capital allocation limit shall be
12 calculated in the same manner they would be calculated if the student were
13 enrolled in a district or charter school that does not participate in Arizona
14 online instruction.

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

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

24 I. For the purposes of this section:

25 1. "Full-time student" means:

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

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

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

40 (d) For high schools, except as provided in section 15-105, a student
41 not graduated from the highest grade taught in the school district, or an
42 ungraded student at least fourteen years of age on or before September 1, and
43 who is enrolled in at least four courses throughout the year that meet at
44 least nine hundred hours during the school year. A full-time student shall
45 not be counted more than once for computation of average daily membership.

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

6 3. "Online school" means a school that provides at least four online
7 academic courses or one or more online courses for the equivalent of at least
8 five hours each day for one hundred eighty school days and that is a charter
9 school that is sponsored by the state board for charter schools or a
10 traditional public school that is selected by the state board of education to
11 participate in Arizona online instruction.

12 4. "Part-time student" means:

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

18 (b) A part-time student of seventy-five per cent average daily
19 membership shall be enrolled in at least three subjects throughout the year
20 that offer for first, second and third grade students at least five hundred
21 thirty-four instructional hours in a school year and for fourth, fifth and
22 sixth grade students at least six hundred sixty-eight instructional hours in
23 a school year. A part-time student of fifty per cent average daily
24 membership shall be enrolled in at least two subjects throughout the year
25 that offer for first, second and third grade students at least three hundred
26 fifty-six instructional hours in a school year and for fourth, fifth and
27 sixth grade students at least four hundred forty-five instructional hours in
28 a school year. A part-time student of twenty-five per cent average daily
29 membership shall be enrolled in at least one subject throughout the year that
30 offers for first, second and third grade students at least one hundred
31 seventy-eight instructional hours in a school year and for fourth, fifth and
32 sixth grade students at least two hundred twenty-three instructional hours in
33 a school year.

34 (c) For seventh and eighth grade students, a part-time student of
35 seventy-five per cent average daily membership shall be enrolled in at least
36 three subjects throughout the year that offer at least eight hundred one
37 instructional hours in a school year. A part-time student of fifty per cent
38 average daily membership shall be enrolled in at least two subjects
39 throughout the year that offer at least five hundred thirty-four
40 instructional hours in a school year. A part-time student of twenty-five per
41 cent average daily membership shall be enrolled in at least one subject
42 throughout the year that offers at least two hundred sixty-seven
43 instructional hours in a school year.

1 (d) For high school students, a part-time student of seventy-five per
2 cent average daily membership shall be enrolled in at least three subjects
3 throughout the year that offer at least six hundred seventy-five
4 instructional hours in a school year. A part-time student of fifty per cent
5 average daily membership shall be enrolled in at least two subjects
6 throughout the year that offer at least four hundred fifty instructional
7 hours in a school year. A part-time student of twenty-five per cent average
8 daily membership shall be enrolled in at least one subject throughout the
9 year that offers at least two hundred twenty-five instructional hours in a
10 school year.

11 Sec. 14. Repeal

12 Section 15-808, Arizona Revised Statutes, as amended by Laws 2010,
13 chapter 318, section 10, is repealed.

14 Sec. 15. Section 15-901, Arizona Revised Statutes, as amended by Laws
15 2010, seventh special session, chapter 8, section 2 and Laws 2010, second
16 regular session, chapter 220, section 2, chapter 306, section 6 and chapter
17 332, section 15, is amended to read:

18 15-901. Definitions

19 A. In this title, unless the context otherwise requires:

20 ~~1. "Average daily attendance" or "ADA" means actual average daily~~
21 ~~attendance through the first one hundred days or two hundred days in session,~~
22 ~~as applicable.~~

23 ~~2.~~ 1. "Average daily membership" means the total enrollment of
24 fractional students and full-time students, minus withdrawals, ~~of each school~~
25 ~~day through the first one hundred days or two hundred days in session, as~~
26 ~~applicable, for the current year~~ WHO ARE ENROLLED ON SEPTEMBER 15, NOVEMBER
27 15, JANUARY 15 AND MARCH 15, DIVIDED BY FOUR. Withdrawals include students
28 formally withdrawn from schools and students absent for ten consecutive
29 school days, except for excused absences ~~as~~ identified by the department of
30 education. FOR THE PURPOSES OF THIS SECTION, SCHOOL DISTRICTS AND CHARTER
31 SCHOOLS SHALL REPORT STUDENT ABSENCE DATA TO THE DEPARTMENT OF EDUCATION AT
32 LEAST ONCE EVERY SIXTY DAYS IN SESSION. For computation purposes, the
33 effective date of withdrawal shall be retroactive to the last day of actual
34 attendance of the student OR EXCUSED ABSENCE.

35 (a) "Fractional student" means:

36 (i) For common schools, ~~until fiscal year 2001-2002,~~ a preschool child
37 who is enrolled in a program for preschool children with disabilities of at
38 least three hundred sixty minutes each week or a kindergarten student at
39 least five years of age prior to January 1 of the school year and enrolled in
40 a school kindergarten program that meets at least ~~three hundred forty-six~~
41 ~~instructional hours during the minimum number of days required in a school~~
42 ~~year as provided in section 15-341. In fiscal year 2001-2002, the~~
43 ~~kindergarten program shall meet at least three hundred forty-eight hours. In~~
44 ~~fiscal year 2002-2003, the kindergarten program shall meet at least three~~
45 ~~hundred fifty hours. In fiscal year 2003-2004, the kindergarten program~~

1 ~~shall meet at least three hundred fifty two hours. In fiscal year 2004-2005,~~
2 ~~the kindergarten program shall meet at least three hundred fifty four hours.~~
3 ~~In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten~~
4 ~~program shall meet at least~~ three hundred fifty-six hours FOR A ONE HUNDRED
5 EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS
6 SECTION. Lunch periods and recess periods may not be included as part of the
7 instructional hours unless the child's individualized education program
8 requires instruction during those periods and the specific reasons for such
9 instruction are fully documented. In computing the average daily membership,
10 preschool children with disabilities and kindergarten students shall be
11 counted as one-half of a full-time student. For common schools, a part-time
12 student is a student enrolled for less than the total time for a full-time
13 student as defined in this section. A part-time common school student shall
14 be counted as one-fourth, one-half or three-fourths of a full-time student if
15 the student is enrolled in an instructional program that is at least
16 one-fourth, one-half or three-fourths of the time a full-time student is
17 enrolled as defined in subdivision (b) of this paragraph.

18 (ii) For high schools, a part-time student who is enrolled in less
19 than four subjects that count toward graduation as defined by the state board
20 of education in a recognized high school. ~~and who is taught in less than~~
21 ~~twenty instructional hours per week prorated for any week with fewer than~~
22 ~~five school days. A part-time high school student shall be counted as~~
23 ~~one-fourth, one-half or three-fourths of a full-time student if the student~~
24 ~~is enrolled in an instructional program that is at least one-fourth, one-half~~
25 ~~or three-fourths of a full-time instructional program as defined in~~
26 ~~subdivision (c) of this paragraph. THE AVERAGE DAILY MEMBERSHIP OF A~~
27 ~~PART-TIME HIGH SCHOOL STUDENT SHALL BE 0.75 IF THE STUDENT IS ENROLLED IN AN~~
28 ~~INSTRUCTIONAL PROGRAM OF THREE SUBJECTS THAT MEET AT LEAST FIVE HUNDRED~~
29 ~~EIGHTY HOURS FOR A ONE HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL~~
30 ~~HOURS PRESCRIBED IN THIS SECTION. THE AVERAGE DAILY MEMBERSHIP OF A~~
31 ~~PART-TIME HIGH SCHOOL STUDENT SHALL BE 0.5 IF THE STUDENT IS ENROLLED IN AN~~
32 ~~INSTRUCTIONAL PROGRAM OF TWO SUBJECTS THAT MEET AT LEAST THREE HUNDRED SIXTY~~
33 ~~HOURS FOR A ONE HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS~~
34 ~~PRESCRIBED IN THIS SECTION. THE AVERAGE DAILY MEMBERSHIP OF A PART-TIME HIGH~~
35 ~~SCHOOL STUDENT SHALL BE 0.25 IF THE STUDENT IS ENROLLED IN AN INSTRUCTIONAL~~
36 ~~PROGRAM OF ONE SUBJECT THAT MEETS AT LEAST ONE HUNDRED EIGHTY HOURS FOR A ONE~~
37 ~~HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS~~
38 ~~SECTION.~~

39 (b) "Full-time student" means:

40 (i) For common schools, a student who is at least six years of age
41 prior to January 1 of a school year, who has not graduated from the highest
42 grade taught in the school district and who is regularly enrolled in a course
43 of study required by the state board of education. ~~Until fiscal year~~
44 ~~2001-2002,~~ First, second and third grade students, ungraded students at least
45 six, but under nine, years of age by September 1 or ungraded group B children

1 with disabilities who are at least five, but under six, years of age by
2 September 1 must be enrolled in an instructional program that meets for a
3 total of at least ~~six hundred ninety two hours during the minimum number of~~
4 ~~days required in a school year as provided in section 15-341. In fiscal year~~
5 ~~2001-2002, the program shall meet at least six hundred ninety six hours. In~~
6 ~~fiscal year 2002-2003, the program shall meet at least seven hundred hours.~~
7 ~~In fiscal year 2003-2004, the program shall meet at least seven hundred four~~
8 ~~hours. In fiscal year 2004-2005, the program shall meet at least seven~~
9 ~~hundred eight hours. In fiscal year 2005-2006 and in each fiscal year~~
10 ~~thereafter, the program shall meet at least seven hundred twelve hours.~~
11 ~~Until fiscal year 2001-2002, SEVEN HUNDRED TWELVE HOURS FOR A ONE HUNDRED~~
12 ~~EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS~~
13 ~~SECTION.~~ Fourth, fifth and sixth grade students or ungraded students at
14 least nine, but under twelve, years of age by September 1 must be enrolled in
15 an instructional program that meets for a total of at ~~least eight hundred~~
16 ~~sixty-five hours during the minimum number of school days required in a~~
17 ~~school year as provided in section 15-341. In fiscal year 2001-2002, the~~
18 ~~program shall meet at least eight hundred seventy hours. In fiscal year~~
19 ~~2002-2003, the program shall meet at least eight hundred seventy-five hours.~~
20 ~~In fiscal year 2003-2004, the program shall meet at least eight hundred~~
21 ~~eighty hours. In fiscal year 2004-2005, the program shall meet at least~~
22 ~~eight hundred eighty-five hours. In fiscal year 2005-2006 and each fiscal~~
23 ~~year thereafter, the program shall meet at least eight hundred ninety hours.~~
24 ~~Until fiscal year 2001-2002, LEAST EIGHT HUNDRED NINETY HOURS FOR A ONE~~
25 ~~HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS~~
26 ~~SECTION.~~ Seventh and eighth grade students or ungraded students at least
27 twelve, but under fourteen, years of age by September 1 must be enrolled in
28 an instructional program that meets for a ~~total of at least one thousand~~
29 ~~thirty-eight hours during the minimum number of days required in a school~~
30 ~~year as provided in section 15-341. In fiscal year 2001-2002, the program~~
31 ~~shall meet at least one thousand forty-four hours. In fiscal year 2002-2003,~~
32 ~~the program shall meet at least one thousand fifty hours. In fiscal year~~
33 ~~2003-2004, the program shall meet at least one thousand fifty-six hours. In~~
34 ~~fiscal year 2004-2005, the program shall meet at least one thousand sixty-two~~
35 ~~hours.~~ In fiscal years 2005-2006 through 2009-2010, the program shall meet
36 at least one thousand sixty-eight hours. In fiscal year 2010-2011 and each
37 fiscal year thereafter, the program shall meet at least one thousand hours.
38 Lunch periods and recess periods may not be included as part of the
39 instructional hours unless the student is a child with a disability and the
40 child's individualized education program requires instruction during those
41 periods and the specific reasons for such instruction are fully documented.

42 (ii) For high schools, except as provided in section 15-105, a student
43 not graduated from the highest grade taught in the school district, or an
44 ungraded student at least fourteen years of age by September 1, and enrolled
45 in at least ~~a full-time~~ AN instructional program of **FOUR OR MORE** subjects

1 that count toward graduation as defined by the state board of education, THAT
2 MEETS FOR A TOTAL OF AT LEAST SEVEN HUNDRED TWENTY HOURS FOR A ONE HUNDRED
3 EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS SECTION
4 in a recognized high school. A full-time student shall not be counted more
5 than once for computation of average daily membership. THE AVERAGE DAILY
6 MEMBERSHIP OF A FULL-TIME HIGH SCHOOL STUDENT SHALL BE 1.0 IF THE STUDENT IS
7 ENROLLED IN AT LEAST FOUR SUBJECTS THAT MEET AT LEAST SEVEN HUNDRED TWENTY
8 HOURS FOR A ONE HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE EQUIVALENT
9 INSTRUCTIONAL HOURS PRESCRIBED IN THIS SECTION.

10 (iii) Except as otherwise provided by law, for a full-time high school
11 student who is concurrently enrolled in two school districts or two charter
12 schools, the average daily membership shall not exceed 1.0.

13 (iv) Except as otherwise provided by law, for any student who is
14 concurrently enrolled in a school district and a charter school, the average
15 daily membership shall be apportioned between the school district and the
16 charter school and shall not exceed 1.0. The apportionment shall be based on
17 the percentage of total time that the student is enrolled in or in attendance
18 at the school district and the charter school.

19 (v) Except as otherwise provided by law, for any student who is
20 concurrently enrolled, pursuant to section 15-808, in a school district and
21 Arizona online instruction or a charter school and Arizona online
22 instruction, the average daily membership shall be apportioned between the
23 school district and Arizona online instruction or the charter school and
24 Arizona online instruction and shall not exceed 1.0. The apportionment shall
25 be based on the percentage of total time that the student is enrolled in or
26 in attendance at the school district and Arizona online instruction or the
27 charter school and Arizona online instruction.

28 (vi) For homebound or hospitalized, a student receiving at least four
29 hours of instruction per week.

30 ~~(c) "Full-time instructional program" means:~~

31 ~~(i) Through fiscal year 2000-2001, at least four subjects, each of~~
32 ~~which, if taught each school day for the minimum number of days required in a~~
33 ~~school year, would meet a minimum of one hundred twenty hours a year, or the~~
34 ~~equivalent, or one or more subjects taught in amounts of time totaling at~~
35 ~~least twenty hours per week prorated for any week with fewer than five school~~
36 ~~days.~~

37 ~~(ii) For fiscal year 2001-2002, an instructional program that meets at~~
38 ~~least a total of seven hundred four hours during the minimum number of days~~
39 ~~required and includes at least four subjects each of which, if taught each~~
40 ~~school day for the minimum number of days required in a school year, would~~
41 ~~meet a minimum of one hundred twenty-two hours a year, or the equivalent, or~~
42 ~~one or more subjects taught in amounts of time totaling at least twenty hours~~
43 ~~per week prorated for any week with fewer than five school days.~~

44 ~~(iii) For fiscal year 2002-2003, an instructional program that meets~~
45 ~~at least a total of seven hundred eight hours during the minimum number of~~

1 ~~days required and includes at least four subjects each of which, if taught~~
2 ~~each school day for the minimum number of days required in a school year,~~
3 ~~would meet a minimum of one hundred twenty two hours a year, or the~~
4 ~~equivalent, or one or more subjects taught in amounts of time totaling at~~
5 ~~least twenty hours per week prorated for any week with fewer than five school~~
6 ~~days.~~

7 ~~(iv) For fiscal year 2003-2004, an instructional program that meets at~~
8 ~~least a total of seven hundred twelve hours during the minimum number of days~~
9 ~~required and includes at least four subjects each of which, if taught each~~
10 ~~school day for the minimum number of days required in a school year, would~~
11 ~~meet a minimum of one hundred twenty three hours a year, or the equivalent,~~
12 ~~or one or more subjects taught in amounts of time totaling at least twenty~~
13 ~~hours per week prorated for any week with fewer than five school days.~~

14 ~~(v) For fiscal year 2004-2005, an instructional program that meets at~~
15 ~~least a total of seven hundred sixteen hours during the minimum number of~~
16 ~~days required and includes at least four subjects each of which, if taught~~
17 ~~each school day for the minimum number of days required in a school year,~~
18 ~~would meet a minimum of one hundred twenty three hours a year, or the~~
19 ~~equivalent, or one or more subjects taught in amounts of time totaling at~~
20 ~~least twenty hours per week prorated for any week with fewer than five school~~
21 ~~days.~~

22 ~~(vi) For fiscal year 2005-2006 and each fiscal year thereafter, an~~
23 ~~instructional program that meets at least a total of seven hundred twenty~~
24 ~~hours during the minimum number of days required and includes at least four~~
25 ~~subjects each of which, if taught each school day for the minimum number of~~
26 ~~days required in a school year, would meet a minimum of one hundred~~
27 ~~twenty three hours a year, or the equivalent, or one or more subjects taught~~
28 ~~in amounts of time totaling at least twenty hours per week prorated for any~~
29 ~~week with fewer than five school days.~~

30 ~~3.~~ 2. "Budget year" means the fiscal year for which the school
31 district is budgeting and which immediately follows the current year.

32 ~~4.~~ 3. "Common school district" means a political subdivision of this
33 state offering instruction to students in programs for preschool children
34 with disabilities and kindergarten programs and either:

35 (a) Grades one through eight.

36 (b) Grades one through nine pursuant to section 15-447.01.

37 ~~5.~~ 4. "Current year" means the fiscal year in which a school district
38 is operating.

39 ~~6.~~ 5. "Daily attendance" means:

40 (a) For common schools, days in which a pupil:

41 (i) Of a kindergarten program or ungraded, but not group B children
42 with disabilities, and at least five, but under six, years of age by
43 September 1 attends at least three-quarters of the instructional time
44 scheduled for the day. If the total instruction time scheduled for the year
45 is at least three hundred forty-six hours but is less than six hundred

1 ninety-two hours such attendance shall be counted as one-half day of
2 attendance. If the instructional time scheduled for the year is at least six
3 hundred ninety-two hours, "daily attendance" means days in which a pupil
4 attends at least one-half of the instructional time scheduled for the day.
5 Such attendance shall be counted as one-half day of attendance.

6 (ii) Of the first, second or third grades, ungraded and at least six,
7 but under nine, years of age by September 1 or ungraded group B children with
8 disabilities and at least five, but under six, years of age by September 1
9 attends more than three-quarters of the instructional time scheduled for the
10 day.

11 (iii) Of the fourth, fifth or sixth grades or ungraded and at least
12 nine, but under twelve, years of age by September 1 attends more than
13 three-quarters of the instructional time scheduled for the day, except as
14 provided in section 15-797.

15 (iv) Of the seventh or eighth grades or ungraded and at least twelve,
16 but under fourteen, years of age by September 1 attends more than
17 three-quarters of the instructional time scheduled for the day, except as
18 provided in section 15-797.

19 (b) For common schools, the attendance of a pupil at three-quarters or
20 less of the instructional time scheduled for the day shall be counted as
21 follows, except as provided in section 15-797 and except that attendance for
22 a fractional student shall not exceed the pupil's fractional membership:

23 (i) If attendance for all pupils in the school is based on quarter
24 days, the attendance of a pupil shall be counted as one-fourth of a day's
25 attendance for each one-fourth of full-time instructional time attended.

26 (ii) If attendance for all pupils in the school is based on half days,
27 the attendance of at least three-quarters of the instructional time scheduled
28 for the day shall be counted as a full day's attendance and attendance at a
29 minimum of one-half but less than three-quarters of the instructional time
30 scheduled for the day equals one-half day of attendance.

31 (c) For common schools, the attendance of a preschool child with
32 disabilities shall be counted as one-fourth day's attendance for each
33 thirty-six minutes of attendance not including lunch periods and recess
34 periods, except as provided in paragraph 2, subdivision (a), item (i) of this
35 subsection for children with disabilities up to a maximum of three hundred
36 sixty minutes each week.

37 (d) For high schools or ungraded schools in which the pupil is at
38 least fourteen years of age by September 1, the attendance of a pupil shall
39 not be counted as a full day unless the pupil is actually and physically in
40 attendance and enrolled in and carrying four subjects, each of which, if
41 taught each school day for the minimum number of days required in a school
42 year, would meet a minimum of one hundred twenty hours a year, or the
43 equivalent, that count toward graduation in a recognized high school except
44 as provided in section 15-797 and subdivision (e) of this paragraph.

1 Attendance of a pupil carrying less than the load prescribed shall be
2 prorated.

3 (e) For high schools or ungraded schools in which the pupil is at
4 least fourteen years of age by September 1, the attendance of a pupil may be
5 counted as one-fourth of a day's attendance for each sixty minutes of
6 instructional time in a subject that counts toward graduation, except that
7 attendance for a pupil shall not exceed the pupil's full or fractional
8 membership.

9 (f) For homebound or hospitalized, a full day of attendance may be
10 counted for each day during a week in which the student receives at least
11 four hours of instruction.

12 (g) For school districts which maintain school for an approved
13 year-round school year operation, attendance shall be based on a computation,
14 as prescribed by the superintendent of public instruction, of the one hundred
15 eighty days' equivalency or two hundred days' equivalency, as applicable, of
16 instructional time as approved by the superintendent of public instruction
17 during which each pupil is enrolled.

18 ~~7.~~ 6. "Daily route mileage" means the sum of:

19 (a) The total number of miles driven daily by all buses of a school
20 district while transporting eligible students from their residence to the
21 school of attendance and from the school of attendance to their residence on
22 scheduled routes approved by the superintendent of public instruction.

23 (b) The total number of miles driven daily on routes approved by the
24 superintendent of public instruction for which a private party, a political
25 subdivision or a common or a contract carrier is reimbursed for bringing an
26 eligible student from the place of his residence to a school transportation
27 pickup point or to the school of attendance and from the school
28 transportation scheduled return point or from the school of attendance to his
29 residence. Daily route mileage includes the total number of miles necessary
30 to drive to transport eligible students from and to their residence as
31 provided in this paragraph.

32 ~~8.~~ 7. "District support level" means the base support level plus the
33 transportation support level.

34 ~~9.~~ 8. "Eligible students" means:

35 (a) Students who are transported by or for a school district and who
36 qualify as full-time students or fractional students, except students for
37 whom transportation is paid by another school district or a county school
38 superintendent, and:

39 (i) For common school students, whose place of actual residence within
40 the school district is more than one mile from the school facility of
41 attendance or students who are admitted pursuant to section 15-816.01 and who
42 meet the economic eligibility requirements established under the national
43 school lunch and child nutrition acts (42 United States Code sections 1751
44 through 1785) for free or reduced price lunches and whose actual place of

1 residence outside the school district boundaries is more than one mile from
2 the school facility of attendance.

3 (ii) For high school students, whose place of actual residence within
4 the school district is more than one and one-half miles from the school
5 facility of attendance or students who are admitted pursuant to section
6 15-816.01 and who meet the economic eligibility requirements established
7 under the national school lunch and child nutrition acts (42 United States
8 Code sections 1751 through 1785) for free or reduced price lunches and whose
9 actual place of residence outside the school district boundaries is more than
10 one and one-half miles from the school facility of attendance.

11 (b) Kindergarten students, for purposes of computing the number of
12 eligible students under subdivision (a), item (i) of this paragraph, shall be
13 counted as full-time students, notwithstanding any other provision of law.

14 (c) Children with disabilities, as defined by section 15-761, who are
15 transported by or for the school district or who are admitted pursuant to
16 chapter 8, article 1.1 of this title and who qualify as full-time students or
17 fractional students regardless of location or residence within the school
18 district or children with disabilities whose transportation is required by
19 the pupil's individualized education program.

20 (d) Students whose residence is outside the school district and who
21 are transported within the school district on the same basis as students who
22 reside in the school district.

23 ~~10.~~ 9. "Enrolled" or "enrollment" means when a pupil is currently
24 registered in the school district.

25 ~~11.~~ 10. "GDP price deflator" means the average of the four implicit
26 price deflators for the gross domestic product reported by the United States
27 department of commerce for the four quarters of the calendar year.

28 ~~12.~~ 11. "High school district" means a political subdivision of this
29 state offering instruction to students for grades nine through twelve or that
30 portion of the budget of a common school district which is allocated to
31 teaching high school subjects with permission of the state board of
32 education.

33 ~~13.~~ 12. "Revenue control limit" means the base revenue control limit
34 plus the transportation revenue control limit.

35 ~~14.~~ 13. "Student count" means average daily membership as prescribed
36 in this subsection for the fiscal year prior to the current year, except that
37 for the purpose of budget preparation student count means average daily
38 membership as prescribed in this subsection for the current year.

39 ~~15.~~ 14. "Submit electronically" means submitted in a format and in a
40 manner prescribed by the department of education.

41 ~~16.~~ 15. "Total bus mileage" means the total number of miles driven by
42 all buses of a school district during the school year.

43 ~~17.~~ 16. "Total students transported" means all eligible students
44 transported from their place of residence to a school transportation pickup
45 point or to the school of attendance and from the school of attendance or

1 from the school transportation scheduled return point to their place of
2 residence.

3 ~~18-~~ 17. "Unified school district" means a political subdivision of the
4 state offering instruction to students in programs for preschool children
5 with disabilities and kindergarten programs and grades one through twelve.

6 B. In this title, unless the context otherwise requires:

7 1. "Base" means the revenue level per student count specified by the
8 legislature.

9 2. "Base level" means the following amounts plus the percentage
10 increases to the base level as provided in sections 15-902.02, 15-918.04,
11 15-919.04 and 15-952, except that if a school district or charter school is
12 eligible for an increase in the base level as provided in two or more of
13 these sections, the base level amount shall be calculated by compounding
14 rather than adding the sum of one plus the percentage of the increase from
15 those different sections:

16 (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
17 dollars eighty-eight cents.

18 (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
19 dollars forty-two cents.

20 (c) For fiscal years 2009-2010 and 2010-2011, three thousand two
21 hundred sixty-seven dollars seventy-two cents.

22 3. "Base revenue control limit" means the base revenue control limit
23 computed as provided in section 15-944.

24 4. "Base support level" means the base support level as provided in
25 section 15-943.

26 5. "Certified teacher" means a person who is certified as a teacher
27 pursuant to the rules adopted by the state board of education, who renders
28 direct and personal services to school children in the form of instruction
29 related to the school district's educational course of study and who is paid
30 from the maintenance and operation section of the budget.

31 6. "DD" means programs for children with developmental delays who are
32 at least three years of age but under ten years of age. A preschool child
33 who is categorized under this paragraph is not eligible to receive funding
34 pursuant to section 15-943, paragraph 2, subdivision (b).

35 7. "ED, MIMR, SLD, SLI and OHI" means programs for children with
36 emotional disabilities, mild mental retardation, a specific learning
37 disability, a speech/language impairment and other health impairments. A
38 preschool child who is categorized as SLI under this paragraph is not
39 eligible to receive funding pursuant to section 15-943, paragraph 2,
40 subdivision (b).

41 8. "ED-P" means programs for children with emotional disabilities who
42 are enrolled in private special education programs as prescribed in section
43 15-765, subsection D, paragraph 1 or in an intensive school district program
44 as provided in section 15-765, subsection D, paragraph 2.

1 9. "ELL" means English learners who do not speak English or whose
2 native language is not English, who are not currently able to perform
3 ordinary classroom work in English and who are enrolled in an English
4 language education program pursuant to sections 15-751, 15-752 and 15-753.

5 10. "Full-time equivalent certified teacher" or "FTE certified teacher"
6 means for a certified teacher the following:

7 (a) If employed full time as defined in section 15-501, 1.00.

8 (b) If employed less than full time, multiply 1.00 by the percentage
9 of a full school day, or its equivalent, or a full class load, or its
10 equivalent, for which the teacher is employed as determined by the governing
11 board.

12 11. "Group A" means educational programs for career exploration, a
13 specific learning disability, an emotional disability, mild mental
14 retardation, remedial education, a speech/language impairment, developmental
15 delay, homebound, bilingual, other health impairments and gifted pupils.

16 12. "Group B" means educational improvements for pupils in kindergarten
17 programs and grades one through three, educational programs for autism, a
18 hearing impairment, moderate mental retardation, multiple disabilities,
19 multiple disabilities with severe sensory impairment, orthopedic impairments,
20 preschool severe delay, severe mental retardation and emotional disabilities
21 for school age pupils enrolled in private special education programs or in
22 school district programs for children with severe disabilities or visual
23 impairment and English learners enrolled in a program to promote English
24 language proficiency pursuant to section 15-752.

25 13. "HI" means programs for pupils with hearing impairment.

26 14. "Homebound" or "hospitalized" means a pupil who is capable of
27 profiting from academic instruction but is unable to attend school due to
28 illness, disease, accident or other health conditions, who has been examined
29 by a competent medical doctor and who is certified by that doctor as being
30 unable to attend regular classes for a period of not less than three school
31 months or a pupil who is capable of profiting from academic instruction but
32 is unable to attend school regularly due to chronic or acute health problems,
33 who has been examined by a competent medical doctor and who is certified by
34 that doctor as being unable to attend regular classes for intermittent
35 periods of time totaling three school months during a school year. The
36 medical certification shall state the general medical condition, such as
37 illness, disease or chronic health condition, that is the reason that the
38 pupil is unable to attend school. Homebound or hospitalized includes a
39 student who is unable to attend school for a period of less than three months
40 due to a pregnancy if a competent medical doctor, after an examination,
41 certifies that the student is unable to attend regular classes due to risk to
42 the pregnancy or to the student's health.

43 15. "K-3" means kindergarten programs and grades one through three.

44 16. "MD-R, A-R and SMR-R" means resource programs for pupils with
45 multiple disabilities, autism and severe mental retardation.

1 17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils
2 with multiple disabilities, autism and severe mental retardation.

3 18. "MDSSI" means a program for pupils with multiple disabilities with
4 severe sensory impairment.

5 19. "MOMR" means programs for pupils with moderate mental retardation.

6 20. "OI-R" means a resource program for pupils with orthopedic
7 impairments.

8 21. "OI-SC" means a self-contained program for pupils with orthopedic
9 impairments.

10 22. "PSD" means preschool programs for children with disabilities as
11 provided in section 15-771.

12 23. "P-SD" means programs for children who meet the definition of
13 preschool severe delay as provided in section 15-771.

14 24. "Qualifying tax rate" means the qualifying tax rate specified in
15 section 15-971 applied to the assessed valuation used for primary property
16 taxes.

17 25. "Small isolated school district" means a school district which
18 meets all of the following:

19 (a) Has a student count of fewer than six hundred in kindergarten
20 programs and grades one through eight or grades nine through twelve.

21 (b) Contains no school which is fewer than thirty miles by the most
22 reasonable route from another school, or, if road conditions and terrain make
23 the driving slow or hazardous, fifteen miles from another school which
24 teaches one or more of the same grades and is operated by another school
25 district in this state.

26 (c) Is designated as a small isolated school district by the
27 superintendent of public instruction.

28 26. "Small school district" means a school district which meets all of
29 the following:

30 (a) Has a student count of fewer than six hundred in kindergarten
31 programs and grades one through eight or grades nine through twelve.

32 (b) Contains at least one school which is fewer than thirty miles by
33 the most reasonable route from another school which teaches one or more of
34 the same grades and is operated by another school district in this state.

35 (c) Is designated as a small school district by the superintendent of
36 public instruction.

37 27. "Transportation revenue control limit" means the transportation
38 revenue control limit computed as prescribed in section 15-946.

39 28. "Transportation support level" means the support level for pupil
40 transportation operating expenses as provided in section 15-945.

41 29. "VI" means programs for pupils with visual impairments.

42 30. "Voc. Ed." means career and technical education and vocational
43 education programs, as defined in section 15-781.

1 **AVERAGE DAILY MEMBERSHIP**, whichever amount is greater. A unified school
2 district shall not issue class B bonds until the proceeds of any class A
3 bonds issued by the unified school district have been obligated in contract.
4 The total amount of class A and class B bonds issued by a unified school
5 district shall not exceed the debt limitations prescribed in article IX,
6 section 8.1, Constitution of Arizona.

7 E. No bonds authorized to be issued by an election held after July 1,
8 1980 and before November 24, 2009 may be issued more than six years after the
9 date of the election, except that class A bonds shall not be issued after
10 December 31, 1999. No bonds authorized to be issued by an election held
11 after November 24, 2009 may be issued more than ten years after the date of
12 the election.

13 F. Except as provided in section 15-491, subsection A, paragraph 3,
14 bond proceeds shall not be expended for items whose useful life is less than
15 the average life of the bonds issued, except that bond proceeds shall not be
16 expended for items whose useful life is less than five years.

17 G. A joint technical education district shall not spend class B bond
18 proceeds to construct or renovate a facility located on the campus of a
19 school in a school district that participates in the joint district unless
20 the facility is only used to provide career and technical education and is
21 available to all pupils who live within the joint technical education
22 district. If the facility is not owned by the joint technical education
23 district, an intergovernmental agreement or a written contract shall be
24 executed for ten years or the duration of the bonded indebtedness, whichever
25 is greater. The intergovernmental agreement or written contract shall
26 include provisions:

27 1. That preserve the usage of the facility renovated or constructed,
28 or both, only for career and technology programs operated by the joint
29 technical education district.

30 2. That include the process to be used by the participating district
31 to compensate the joint technical education district in the event that the
32 facility is no longer used only for career and technology education programs
33 offered by the joint technical education district during the life of the
34 bond.

35 H. A school district shall not authorize, issue or sell bonds pursuant
36 to this section if the school district has any existing indebtedness from
37 impact aid revenue bonds pursuant to chapter 16, article 8 of this title,
38 except for bonds issued to refund any bonds issued by the governing board.

39 Sec. 18. Repeal

40 Section 15-1021, Arizona Revised Statutes, as amended by Laws 2010,
41 chapter 318, section 19, is repealed.

1 Sec. 19. Section 15-1371, Arizona Revised Statutes, as amended by Laws
2 2010, chapter 306, section 14, is amended to read:

3 15-1371. Equalization assistance for state educational system
4 for committed youth; state education fund for
5 committed youth

6 A. The superintendent of the state educational system for committed
7 youth shall calculate a base support level as prescribed in section 15-943
8 and a capital outlay revenue limit as prescribed in section 15-961 for the
9 educational system established pursuant to section 41-2831, except that:

10 1. Notwithstanding section 15-901:

11 (a) The student count shall be determined using the following
12 definitions:

13 (i) "Daily attendance" means days in which a pupil attends an
14 educational program for a minimum of two hundred forty minutes not including
15 meal and recess periods. Attendance for one hundred twenty or more minutes
16 but fewer than two hundred forty minutes shall be counted as one-half day's
17 attendance.

18 (ii) "Fractional student" means a pupil enrolled in an educational
19 program of one hundred twenty or more minutes but fewer than two hundred
20 forty minutes a day not including meal and recess periods. A fractional
21 student shall be counted as one-half of a full-time student.

22 (iii) "Full-time student" means a pupil enrolled in an educational
23 program for a minimum of two hundred forty minutes a day not including meal
24 and recess periods.

25 (b) "Seriously emotionally disabled pupils enrolled in a school
26 district program as provided in section 15-765" includes seriously
27 emotionally disabled pupils enrolled in the department of juvenile
28 corrections school system.

29 2. All pupils shall be counted as if they were enrolled in grades nine
30 through twelve.

31 3. The teacher experience index is 1.00.

32 4. The base support level shall be calculated using the base level
33 multiplied by 1.0, except that the state educational system for committed
34 youth is also eligible beginning with fiscal year 1992-1993 for additional
35 teacher compensation monies as specified in section 15-952.

36 5. Section 15-943, paragraph 1 does not apply.

37 B. The superintendent may use sections 15-855 and 15-948 in making the
38 calculations prescribed in subsection A of this section, except that for the
39 1992-1993 fiscal year rapid decline shall not be used. The superintendent of
40 the system and the department of education shall prescribe procedures for
41 determining ~~average daily attendance and~~ average daily membership.

42 C. Equalization assistance for the state educational system for
43 committed youth for the budget year is determined by adding the amount of the
44 base support level and the capital outlay revenue limit for the budget year
45 calculated as prescribed in subsection A of this section.

1 D. The state educational system for committed youth shall not receive
2 twenty-five per cent of the equalization assistance unless it is accredited
3 by the north central association of colleges and secondary schools.

4 E. The state education fund for committed youth is established. Fund
5 monies shall be used for the purposes of the state educational system for
6 committed youth, and notwithstanding section 35-173, monies appropriated to
7 the fund shall not be transferred to or used for any program not within the
8 state educational system for committed youth. State equalization assistance
9 for the state educational system for committed youth as determined in
10 subsection A of this section, other state and federal monies received from
11 the department of education for the state educational system for committed
12 youth and monies appropriated for the state educational system for committed
13 youth, except monies appropriated pursuant to subsection F of this section,
14 shall be deposited in the fund. The state treasurer shall maintain separate
15 accounts for fund monies if the separate accounts are required by statute or
16 federal law.

17 F. The department of juvenile corrections may seek appropriations for
18 capital needs for land, buildings and improvements, including repairs and
19 maintenance, required to maintain the state educational system for committed
20 youth.

21 G. The state board of education shall apportion state aid and deposit
22 it, pursuant to sections 35-146 and 35-147, in the state education fund for
23 committed youth in an amount as determined by subsection A of this section.
24 The apportionments shall be as follows:

25 1. On July 1, one-third of the total amount to be apportioned during
26 the fiscal year.

27 2. On October 15, one-twelfth of the total amount to be apportioned
28 during the fiscal year.

29 3. On December 15, one-twelfth of the total amount to be apportioned
30 during the fiscal year.

31 4. On January 15, one-twelfth of the total amount to be apportioned
32 during the fiscal year.

33 5. On February 15, one-twelfth of the total amount to be apportioned
34 during the fiscal year.

35 6. On March 15, one-twelfth of the total amount to be apportioned
36 during the fiscal year.

37 7. On April 15, one-twelfth of the total amount to be apportioned
38 during the fiscal year.

39 8. On May 15, one-twelfth of the total amount to be apportioned during
40 the fiscal year.

41 9. On June 15, one-twelfth of the total amount to be apportioned
42 during the fiscal year.

43 H. In conjunction with the department of administration, the
44 superintendent of the state educational system for committed youth shall
45 establish procedures to account for the receipt and expenditure of state

1 education fund for committed youth monies by modifying the current accounting
2 system used for state agencies as necessary.

3 Sec. 20. Repeal

4 Section 15-1371, Arizona Revised Statutes, as amended by Laws 2010,
5 chapter 318, section 20, is repealed.

6 Sec. 21. Section 15-1372, Arizona Revised Statutes, as amended by Laws
7 2010, chapter 306, section 15, is amended to read:

8 15-1372. Equalization assistance for state educational system
9 for persons in the state department of corrections;
10 fund

11 A. The state department of corrections shall provide educational
12 services for pupils who are under the age of eighteen years and pupils with
13 disabilities who are age twenty-one or younger who are committed to the state
14 department of corrections. The department of education shall provide
15 technical assistance to the state department of corrections on request and
16 shall assist the state department of corrections in establishing program and
17 personnel standards.

18 B. The state education fund for correctional education is established.
19 Subject to legislative appropriation, fund monies shall be used for the
20 purposes of providing education to pupils as specified in subsection A of
21 this section. Notwithstanding section 35-173, monies appropriated to the
22 fund shall not be transferred to or used for any program not directly related
23 to the educational services required by this section. State equalization
24 assistance, other state and federal monies received from the department of
25 education for which the pupils in correctional education programs qualify and
26 monies appropriated for correctional education except monies appropriated
27 pursuant to subsection C of this section shall be deposited in the fund. The
28 state treasurer shall maintain separate accounts for fund monies if the
29 separate accounts are required by statute or federal law.

30 C. The state department of corrections may seek appropriations for
31 capital needs for land, buildings and improvements, including repairs and
32 maintenance, required to maintain the educational services required by this
33 section.

34 D. The state board of education shall apportion state aid and deposit
35 it, pursuant to sections 35-146 and 35-147, in the state education fund for
36 correctional education in an amount as determined by subsection E of this
37 section. The apportionments are as follows:

38 1. On July 1, one-third of the total amount to be apportioned during
39 the fiscal year.

40 2. On October 15, one-twelfth of the total amount to be apportioned
41 during the fiscal year.

42 3. On December 15, one-twelfth of the total amount to be apportioned
43 during the fiscal year.

44 4. On January 15, one-twelfth of the total amount to be apportioned
45 during the fiscal year.

1 5. On February 15, one-twelfth of the total amount to be apportioned
2 during the fiscal year.

3 6. On March 15, one-twelfth of the total amount to be apportioned
4 during the fiscal year.

5 7. On April 15, one-twelfth of the total amount to be apportioned
6 during the fiscal year.

7 8. On May 15, one-twelfth of the total amount to be apportioned during
8 the fiscal year.

9 9. On June 15, one-twelfth of the total amount to be apportioned
10 during the fiscal year.

11 E. The director of the state department of corrections shall calculate
12 a base support level as prescribed in section 15-943 and a capital outlay
13 revenue limit as prescribed in section 15-961 for the educational services
14 required by this section, except that:

15 1. Notwithstanding section 15-901, the student count shall be
16 determined using the following definitions:

17 (a) "Daily attendance" means days in which a pupil attends an
18 educational program for a minimum of one hundred eighty minutes not including
19 meal and recess periods. Attendance for ninety or more minutes but fewer
20 than one hundred eighty minutes shall be counted as one-half day's
21 attendance.

22 (b) "Fractional student" means a pupil enrolled in an educational
23 program of ninety or more minutes but fewer than one hundred eighty minutes
24 per day not including meal and recess periods. A fractional student shall be
25 counted as one-half of a full-time student.

26 (c) "Full-time student" means a pupil enrolled in an educational
27 program for a minimum of one hundred eighty minutes per day not including
28 meal and recess periods.

29 (d) "Pupil with a disability" has the same meaning as child with a
30 disability prescribed in section 15-761.

31 2. All pupils shall be counted as if they were enrolled in grades nine
32 through twelve.

33 3. The teacher experience index is 1.00.

34 4. The calculation for additional teacher compensation monies as
35 prescribed in section 15-952 is available.

36 5. Section 15-943, paragraph 1 does not apply.

37 6. The base support level and capital outlay amounts calculated
38 pursuant to this section shall be multiplied by 0.67.

39 7. The school year shall consist of a period of not less than two
40 hundred eight days.

41 F. The director of the state department of corrections may use
42 sections 15-855 and 15-948 in making the calculations prescribed in
43 subsection E of this section. The director of the state department of
44 corrections and the department of education shall prescribe procedures for
45 calculating ~~average daily attendance and~~ average daily membership.

1 G. Equalization assistance for correctional education programs
2 provided for those pupils specified in subsection A of this section is
3 determined by adding the amount of the base support level and the capital
4 outlay revenue limit for the budget year calculated as prescribed in
5 subsection E of this section.

6 H. The director of the state department of corrections shall keep
7 records and provide information as the department of education requires to
8 determine the appropriate amount of equalization assistance. Equalization
9 assistance shall be used to provide educational services in this section.

10 I. The department of education and the state department of corrections
11 shall enter into an intergovernmental agreement that establishes the
12 necessary accountability between the two departments regarding the
13 administrative and funding requirements contained in subsections A and B of
14 this section. The agreement shall:

15 1. Provide for appropriate education to all committed youths as
16 required by state and federal law.

17 2. Provide financial information to meet requirements for equalization
18 assistance.

19 3. Provide for appropriate pupil intake and assessment procedures.

20 4. Require pupil performance assessment and the reporting of results.

21 Sec. 22. Repeal

22 Section 15-1372, Arizona Revised Statutes, as amended by Laws 2010,
23 chapter 318, section 21, is repealed.

24 Sec. 23. Section 15-1782, Arizona Revised Statutes, as amended by Laws
25 2010, chapter 257, section 1, is amended to read:

26 15-1782. Mathematics, science, special education and elementary
27 education teacher student loans; requirements;
28 report

29 A. The ~~board~~ COMMISSION may grant loans from the mathematics, science
30 and special education teacher student loan fund established by section
31 15-1784 to defray ~~in-state~~ tuition, instructional materials and mandatory
32 fees of the education of students who are pursuing a teaching degree at a
33 ~~university under the jurisdiction of the board~~ QUALIFYING POSTSECONDARY
34 INSTITUTION and who are deemed qualified by the ~~board~~ COMMISSION to receive
35 these loans. Loans shall be granted on such terms and conditions as may be
36 imposed by the ~~board~~ COMMISSION and shall be distributed on a first come,
37 first served basis.

38 B. The ~~board~~ COMMISSION shall grant loans to qualified applicants who
39 ~~are classified as in-state students for tuition purposes pursuant to section~~
40 ~~15-1802 and who~~ agree to provide instruction in the area of mathematics,
41 science or special education in a public school in this state or in
42 elementary education in a public school that is located in a geographic area
43 in this state that is experiencing a shortage of teachers, as determined by
44 the state board of education. The board shall allocate no more than

1 twenty-five per cent of the annual amount appropriated for loans to
2 applicants who agree to provide instruction in elementary education.

3 C. The loans granted by the ~~board~~ COMMISSION shall be ~~sufficient to~~
4 ~~fully USED TO~~ cover the costs of ~~resident~~ tuition and mandatory fees for each
5 loan recipient and may also defray the cost of instructional materials, BUT
6 SHALL NOT EXCEED SEVEN THOUSAND DOLLARS EACH YEAR, EXCLUDING ALL GRANTS,
7 SCHOLARSHIPS AND TUITION BENEFITS SUCH AS MILITARY, TRIBAL AND EMPLOYEE
8 GRANTS, SCHOLARSHIPS AND BENEFITS. ~~If an applicant qualifies for federal~~
9 ~~financial aid and receives federal grant aid, the loan amount shall be~~
10 ~~limited to the amount of tuition and mandatory fees not covered by the~~
11 ~~federal grant aid and may include a stipend for instructional materials.~~

12 D. The ~~board~~ COMMISSION shall adopt policies for screening qualified
13 applicants based on ability, ~~character~~ and financial need, INCLUDING
14 REQUIRING ALL APPLICANTS TO COMPLETE A FREE APPLICATION FOR STUDENT FEDERAL
15 AID.

16 E. The ~~board~~ COMMISSION shall grant loans on the terms and conditions
17 the ~~board~~ COMMISSION imposes. The ~~board~~ COMMISSION shall establish
18 procedures for the timely repayment of loans plus interest at a rate
19 determined by the ~~board~~ COMMISSION. The ~~board~~ COMMISSION is responsible for
20 the collection of ~~loans that are in default~~ LOAN REPAYMENTS.

21 F. The ~~board~~ COMMISSION may ~~delegate authority to administer the loans~~
22 ~~pursuant to this article to an institution under the jurisdiction of the~~
23 ~~board~~ PARTNER WITH QUALIFYING POSTSECONDARY INSTITUTIONS TO ADMINISTER THESE
24 LOANS. ~~If the board delegates authority, students pursuing a teaching degree~~
25 ~~at each institution under the jurisdiction of the board shall be equally~~
26 ~~eligible to participate.~~ The ~~board~~ COMMISSION shall ~~retain responsibility of~~
27 ~~making~~ PROVIDE initial public notice of the availability of the loans and
28 collect the application forms directly from each qualified applicant. The
29 ~~board~~ COMMISSION shall forward ~~the applications to the institution selected~~
30 ~~to administer the loans~~ A REQUEST FOR VERIFICATION OF ATTENDANCE,
31 SATISFACTORY ACADEMIC PROGRESS, FINANCIAL NEED AND ENROLLMENT IN A QUALIFIED
32 PROGRAM TO THE INSTITUTION.

33 G. On or before December 1 of each year, the ~~Arizona board of regents~~
34 COMMISSION shall submit an approved report to the governor, the speaker of
35 the house of representatives, the president of the senate and the joint
36 legislative budget committee. The ~~board~~ COMMISSION shall provide a copy of
37 this report to the secretary of state ~~and the director of the Arizona state~~
38 ~~library, archives and public records.~~ The report shall include the number of
39 applicants, the number of loan recipients, the ~~university~~ QUALIFYING
40 POSTSECONDARY INSTITUTION each loan recipient attends, the name of the school
41 at which each loan recipient is employed, the number of good cause repayment
42 exceptions granted by the ~~board~~ COMMISSION, the reason for each good cause
43 exception granted and teacher retention data. The ~~board~~ COMMISSION shall
44 collect and maintain data on the retention of mathematics, science and
45 special education teachers who received loans pursuant to this article. The

1 ~~board~~ COMMISSION shall collect this data for at least five years after each
2 loan recipient completes the recipient's service commitment.

3 Sec. 24. Repeal

4 Section 15-1782, Arizona Revised Statutes, as amended by Laws 2010,
5 chapter 332, section 21, is repealed.

6 Sec. 25. Section 15-1783, Arizona Revised Statutes, as amended by Laws
7 2010, chapter 257, section 2, is amended to read:

8 15-1783. Mathematics, science, special education and elementary
9 education teacher student loans; interest;
10 obligations; repayment; authority of attorney
11 general

12 A. Each applicant who is approved for a loan by the ~~board~~ COMMISSION
13 may be granted a loan for a period of up to five years.

14 B. The ~~board~~ COMMISSION, on behalf of this state, shall enter into a
15 written contract with the QUALIFIED student. The contract shall set forth
16 the methods and terms of repayment by the loan recipient to this state and
17 shall be on terms and conditions and in a form provided by the ~~board~~
18 COMMISSION. The contract shall provide for the following:

19 1. The loan recipient shall begin the service commitment providing
20 instruction in the area of mathematics, science or special education in a
21 public school in this state or in elementary education in a public school
22 that is located in a geographic area in this state that is experiencing a
23 shortage of teachers, as determined by the state board of education, within
24 one calendar year after attaining a bachelor's degree at ~~an accredited~~
25 ~~university in this state~~ A QUALIFYING POSTSECONDARY INSTITUTION. The service
26 commitment shall be full-time as determined by the ~~Arizona board of regents~~
27 COMMISSION and requires one year of service for each year of loan support
28 plus one additional year of service.

29 2. If the loan recipient engages in postgraduate studies without a
30 lapse of more than one calendar year following the completion of the loan
31 recipient's bachelor's degree at ~~an accredited university in this state~~ A
32 QUALIFYING POSTSECONDARY INSTITUTION, the loan recipient shall begin the
33 service commitment required under paragraph 1 within one calendar year after
34 completing postgraduate studies.

35 3. If the loan recipient is inducted into military service, or for any
36 other cause beyond the loan recipient's control deemed sufficient by the
37 ~~board~~ COMMISSION is unable to begin the service commitment required under
38 paragraph 1 within one calendar year after completing a bachelor's degree and
39 any graduate studies, the loan recipient shall begin the service commitment
40 required under paragraph 1 within one calendar year after completing the
41 required military service or the termination of any other cause.

42 4. If the loan recipient fulfills the service commitment required
43 under paragraph 1 in a public school in this state or while completing
44 military service resulting from induction, the loan recipient's indebtedness
45 to this state may be discharged in one of the following ways:

1 (a) One year of full-time service required under paragraph 1 for each
2 year of loan support plus one additional year of service.

3 (b) Repayment to this state of the total loan amount for each year of
4 support with interest at the rate prescribed in subsection C.

5 5. If the loan recipient fails to complete the required course of
6 study, if the course of study is interrupted by one academic year or more for
7 a cause or causes not resulting from induction into military service or any
8 other cause beyond the loan recipient's control deemed sufficient by the
9 ~~board~~ COMMISSION or if the loan recipient fails to fully discharge the
10 service commitment required under paragraph 1, except for delays resulting
11 from an excusable cause as prescribed in this section, the amount of the loan
12 not repaid or fully discharged shall be due and payable with interest at the
13 rate prescribed in subsection C. The ~~board~~ COMMISSION may extend the time of
14 payment over a period not exceeding fifteen years and shall not require
15 payment of interest during the existence of any excusable cause as prescribed
16 in this section.

17 6. If the loan recipient does not begin the service commitment
18 required under paragraph 1 within the time prescribed in this section but
19 paid an agreed part of the loan, the ~~board~~ COMMISSION may allow the loan
20 recipient to discharge the balance of the obligation by subsequent teaching
21 in this state.

22 7. If the loan recipient dies during the period of the loan
23 recipient's education or practice as a teacher, the loan recipient's
24 obligation to this state under this article ceases.

25 8. The loan recipient may choose at any time to provide a different
26 category of service commitment prescribed in paragraph 1 without violating
27 the contract, unless the contract requires the loan recipient to provide
28 instruction in the area of mathematics or science.

29 9. If the loan recipient begins the service commitment required under
30 paragraph 1 in a geographic area in this state that is experiencing a
31 shortage of teachers, as determined by the state board of education, but the
32 state board of education subsequently determines that geographic area is no
33 longer experiencing a shortage of teachers, the loan recipient may discharge
34 the balance of the obligation by completing the service commitment in the
35 geographic area where the loan recipient began the service commitment.

36 C. The loan recipient shall repay the full amount borrowed at an
37 interest rate of at least seven per cent.

38 D. On receipt of supporting documentation, the ~~board~~ COMMISSION for
39 good cause shown may defer the loan recipient's service commitment or
40 repayment obligation or may enter into repayment arrangements with the loan
41 recipient or allow service that is equivalent to full-time service if the
42 ~~board~~ COMMISSION determines that this action is justified after a review of
43 the individual's circumstances. At the discretion of the ~~board~~ COMMISSION,
44 the ~~board~~ COMMISSION may allow service by teaching in another area of
45 recognized need in this state that is not specified in the QUALIFIED

1 student's contract, but only following prior written approval by the ~~board~~
2 COMMISSION.

3 E. The attorney general may commence whatever actions are necessary to
4 enforce the contract and achieve repayment of loans provided by the ~~board~~
5 COMMISSION pursuant to this article.

6 Sec. 26. Repeal

7 Section 15-1783, Arizona Revised Statutes, as amended by Laws 2010,
8 chapter 332, section 22, is repealed.

9 Sec. 27. Section 26-263, Arizona Revised Statutes, as amended by Laws
10 2010, chapter 208, section 4, is amended to read:

11 ~~26-263.~~ Appropriations; purposes; exemption

12 A. The sum of \$90,000 and 1 FTE is appropriated from the state general
13 fund in fiscal years 2004-2005 and 2005-2006 and each year thereafter to the
14 department of emergency and military affairs.

15 B. The sum of \$85,000 is appropriated from the state general fund in
16 fiscal years 2004-2005 and 2005-2006 and each year thereafter to the attorney
17 general's office for implementation of ~~sections~~ SECTION 9-461.06, ~~11-806,~~
18 ~~11-824~~ TITLE 11, CHAPTER 6, ARTICLE 1 and SECTION 28-8481.

19 C. For fiscal years 2004-2005 and 2005-2006 and each year thereafter,
20 the sum of \$4,825,000 is appropriated from the state general fund to the
21 military installation fund established by, and for the purposes prescribed
22 by, section 26-262.

23 D. The appropriations made in this section are exempt from the
24 provisions of section 35-190 relating to lapsing of appropriations.

25 Sec. 28. Repeal

26 Section 26-263, Arizona Revised Statutes, as amended by Laws 2010,
27 chapter 244, section 30, is repealed.

28 Sec. 29. Section 32-2183, Arizona Revised Statutes, as amended by Laws
29 2010, chapter 144, section 2, is amended to read:

30 ~~32-2183.~~ Subdivision public reports; denial of issuance;
31 unlawful sales; voidable sale or lease; order
32 prohibiting sale or lease; investigations; hearings;
33 summary orders

34 A. Upon examination of a subdivision, the commissioner, unless there
35 are grounds for denial, shall issue to the subdivider a public report
36 authorizing the sale or lease in this state of the lots, parcels or
37 fractional interests within the subdivision. The report shall contain the
38 data obtained in accordance with section 32-2181 and any other information
39 which the commissioner determines is necessary to implement the purposes of
40 this article. If any of the lots, parcels or fractional interests within the
41 subdivision are located within territory in the vicinity of a military
42 airport or ancillary military facility as defined in section 28-8461, under a
43 military training route as delineated in the military training route map
44 prepared pursuant to section 37-102, under restricted air space as delineated
45 in the restricted air space map prepared pursuant to section 37-102 or

1 contained in the military electronics range as delineated in the military
2 electronics range map prepared pursuant to section 37-102, the report shall
3 include, in bold twelve point font block letters on the first page of the
4 report, the statements required pursuant to section 28-8484, subsection A,
5 section 32-2183.05 or section 32-2183.06 and, if the department has been
6 provided a map prepared pursuant to section 28-8484, subsection B or section
7 37-102, the report shall include a copy of the map. The military airport
8 report requirements do not require the amendment or reissuance of any public
9 report issued on or before December 31, 2001 or on or before December 31 of
10 the year in which the lots, parcels or fractional interests within a
11 subdivision become territory in the vicinity of a military airport or
12 ancillary military facility. The military training route report requirements
13 do not require the amendment or reissuance of any public report issued on or
14 before December 31, 2004. The restricted air space report requirements do
15 not require the amendment or reissuance of any public report issued on or
16 before December 31, 2006. The military electronics range report requirements
17 do not require the amendment or reissuance of any public report issued on or
18 before December 31, 2008. The commissioner shall require the subdivider to
19 reproduce the report, make the report available to each prospective customer
20 and furnish each buyer or lessee with a copy before the buyer or lessee signs
21 any offer to purchase or lease, taking a receipt therefor.

22 B. This section shall not be construed to require a public report
23 issued sixty or fewer days prior to the filing of the military electronics
24 range map prepared pursuant to section 37-102 to meet the military
25 electronics range notification requirements of this section.

26 C. A public report issued sixty-one or more days after the filing of
27 the military electronics range map prepared pursuant to section 37-102 shall
28 meet all of the requirements of subsection A of this section.

29 D. Notwithstanding subsection A of this section, a subdivider may
30 elect to prepare a final public report for use in the sale of improved lots
31 as defined in section 32-2101, as follows:

32 1. The subdivider shall prepare the public report and provide a copy
33 of the report to the commissioner with the submission of the notification
34 required by sections 32-2181 and 32-2184 and shall comply with all other
35 requirements of this article.

36 2. An initial filing fee of five hundred dollars or an amended filing
37 fee of two hundred fifty dollars shall accompany the notification required by
38 paragraph 1 of this subsection.

39 3. The department shall assign a registration number to each
40 notification and public report submitted pursuant to this subsection and
41 shall maintain a database of all of these submissions. The subdivider shall
42 place the number on each public report.

43 4. On receipt of the notification and public report, the department
44 shall review and issue within ten business days either a certification that
45 the notification and public report are administratively complete or a denial

1 letter if it appears that the application or project is not in compliance
2 with all legal requirements, that the applicant has a background of
3 violations of state or federal law or that the applicant or project presents
4 an unnecessary risk of harm to the public. If the commissioner has received
5 the notification and public report but has not issued a certification or a
6 denial letter within ten business days pursuant to this paragraph, the
7 notification and public report are administratively complete.

8 5. A subdivider may commence sales or leasing activities as permitted
9 under this article after obtaining a certificate of administrative
10 completeness from the commissioner.

11 6. Before or after the commissioner issues a certificate of
12 administrative completeness or, if applicable, after the notification and
13 public report are deemed to be administratively complete pursuant to
14 paragraph 4 of this subsection, the department may examine any public report,
15 subdivision or applicant that has applied for or received the certificate.
16 If the commissioner determines that the subdivider or subdivision is not in
17 compliance with any requirement of state law or that grounds exist under this
18 chapter to suspend, deny or revoke a public report, the commissioner may
19 commence an administrative action under section 32-2154 or 32-2157. If the
20 subdivider immediately corrects the deficiency and comes into full compliance
21 with state law, the commissioner shall vacate any action that the
22 commissioner may have commenced pursuant to section 32-2154 or 32-2157.

23 7. The department shall provide forms and guidelines for the
24 submission of the notification and public report pursuant to this section.

25 E. The commissioner may suspend, revoke or deny issuance of a public
26 report on any of the following grounds:

27 1. Failure to comply with this article or the rules of the
28 commissioner pertaining to this article.

29 2. The sale or lease would constitute misrepresentation to or deceit
30 or fraud of the purchasers or lessees.

31 3. Inability to deliver title or other interest contracted for.

32 4. Inability to demonstrate that adequate financial or other
33 arrangements acceptable to the commissioner have been made for completion of
34 all streets, sewers, electric, gas and water utilities, drainage and flood
35 control facilities, community and recreational facilities and other
36 improvements included in the offering.

37 5. Failure to make a showing that the lots, parcels or fractional
38 interests can be used for the purpose for which they are offered.

39 6. The owner, agent, subdivider, officer, director or partner,
40 subdivider trust beneficiary holding ten per cent or more direct or indirect
41 beneficial interest or, if a corporation, any stockholder owning ten per cent
42 or more of the stock in the corporation has:

43 (a) Been convicted of a felony or misdemeanor involving fraud or
44 dishonesty or involving conduct of any business or a transaction in real

1 estate, cemetery property, time-share intervals or membership camping
2 campgrounds or contracts.

3 (b) Been permanently or temporarily enjoined by order, judgment or
4 decree from engaging in or continuing any conduct or practice in connection
5 with the sale or purchase of real estate or cemetery property, time-share
6 intervals, membership camping contracts or campgrounds, or securities or
7 involving consumer fraud or the racketeering laws of this state.

8 (c) Had an administrative order entered against him by a real estate
9 regulatory agency or security regulatory agency.

10 (d) Had an adverse decision or judgment entered against him involving
11 fraud or dishonesty or involving the conduct of any business or transaction
12 in real estate, cemetery property, time-share intervals or membership camping
13 campgrounds or contracts.

14 (e) Disregarded or violated this chapter or the rules of the
15 commissioner pertaining to this chapter.

16 (f) Controlled an entity to which subdivision (b), (c), (d) or (e)
17 applies.

18 7. Procurement or an attempt to procure a public report by fraud,
19 misrepresentation or deceit or by filing an application for a public report
20 that is materially false or misleading.

21 8. Failure of the declaration for a condominium created pursuant to
22 title 33, chapter 9, article 2 to comply with the requirements of section
23 33-1215 or failure of the plat for the condominium to comply with the
24 requirements of section 33-1219. The commissioner may require an applicant
25 for a public report to submit a notarized statement signed by the subdivider
26 or an engineer or attorney licensed to practice in this state certifying that
27 the condominium plat and declaration of condominium are in compliance with
28 the requirements of sections 33-1215 and 33-1219. If the notarized statement
29 is provided, the commissioner is entitled to rely on this statement.

30 9. Failure of any blanket encumbrance or valid supplementary agreement
31 executed by the holder of the blanket encumbrance to contain provisions that
32 enable the purchaser to acquire title to a lot or parcel free of the lien of
33 the blanket encumbrance, on completion of all payments and performance of all
34 of the terms and provisions required to be made or performed by the purchaser
35 under the real estate sales contract by which the purchaser has acquired the
36 lot or parcel. The subdivider shall file copies of documents acceptable to
37 the commissioner containing these provisions with the commissioner before the
38 sale of any subdivision lot or parcel subject to a blanket encumbrance.

39 10. Failure to demonstrate permanent access to the subdivision lots or
40 parcels.

41 11. The use of the lots presents an unreasonable health risk.

42 F. It is unlawful for a subdivider to sell any lot in a subdivision
43 unless one of the following occurs:

44 1. All proposed or promised subdivision improvements are completed.

1 2. The completion of all proposed or promised subdivision improvements
2 is assured by financial arrangements acceptable to the commissioner. The
3 financial arrangements may be made in phases for common community and
4 recreation facilities required by a municipality or county as a stipulation
5 for approval of a plan for a master planned community.

6 3. The municipal or county government agrees to prohibit occupancy and
7 the subdivider agrees not to close escrow for lots in the subdivision until
8 all proposed or promised subdivision improvements are completed.

9 4. The municipal or county government enters into an assurance
10 agreement with any trustee not to convey lots until improvements are
11 completed within the portion of the subdivision containing these lots, if the
12 improvements can be used and maintained separately from the improvements
13 required for the entire subdivision plat. The agreement shall be recorded in
14 the county in which the subdivision is located.

15 G. If the subdivision is within an active management area, as defined
16 in section 45-402, the commissioner shall deny issuance of a public report or
17 the use of any exemption pursuant to section 32-2181.02, subsection B unless
18 the subdivider has been issued a certificate of assured water supply by the
19 director of water resources and has paid all applicable fees pursuant to
20 sections 48-3772 and 48-3774.01, or unless the subdivider has obtained a
21 written commitment of water service for the subdivision from a city, town or
22 private water company designated as having an assured water supply by the
23 director of water resources pursuant to section 45-576 or is exempt from the
24 requirement pursuant to section 45-576.

25 H. In areas outside of active management areas, if the subdivision is
26 located in a county that has adopted the provision authorized by section
27 ~~11-806.01, subsection F~~ 11-823, SUBSECTION A or in a city or town that has
28 enacted an ordinance pursuant to section 9-463.01, subsection O, the
29 commissioner shall deny issuance of a public report or the use of any
30 exemption pursuant to section 32-2181.02, subsection B unless one of the
31 following applies:

32 1. The director of water resources has reported pursuant to section
33 45-108 that the subdivision has an adequate water supply.

34 2. The subdivider has obtained a written commitment of water service
35 for the subdivision from a city, town or private water company designated as
36 having an adequate water supply by the director of water resources pursuant
37 to section 45-108.

38 3. The plat was approved pursuant to an exemption authorized by
39 section 9-463.01, subsection K, pursuant to an exemption authorized by
40 section ~~11-806.01, subsection G~~ 11-823, SUBSECTION B, paragraph 1, pursuant
41 to an exemption granted by the director of water resources under section
42 45-108.02 and the exemption has not expired or pursuant to an exemption
43 granted by the director of water resources under section 45-108.03.

1 4. The subdivision received final plat approval from the city, town or
2 county before the requirement for an adequate water supply became effective
3 in the city, town or county, and there have been no material changes to the
4 plat since the final plat approval. If changes were made to the plat after
5 the final plat approval, the director of water resources shall determine
6 whether the changes are material pursuant to the rules adopted by the
7 director to implement section 45-108.

8 I. A subdivider shall not sell or lease or offer for sale or lease in
9 this state any lots, parcels or fractional interests in a subdivision without
10 first obtaining a public report from the commissioner except as provided in
11 section 32-2181.01 or 32-2181.02. Unless exempt, the sale or lease of
12 subdivided lands prior to issuance of the public report or failure to deliver
13 the public report to the purchaser or lessee shall render the sale or lease
14 rescindable by the purchaser or lessee. An action by the purchaser or lessee
15 to rescind the transaction shall be brought within three years of the date of
16 execution of the purchase or lease agreement by the purchaser or lessee. In
17 any rescission action, the prevailing party is entitled to reasonable
18 attorney fees as determined by the court.

19 J. On a print advertisement in a magazine or newspaper or on an
20 internet advertisement that advertises a specific lot or parcel of a
21 subdivider, the subdivider shall include a disclosure stating that "a public
22 report is available on the state real estate department's website".

23 K. Any applicant objecting to the denial of a public report, within
24 thirty days after receipt of the order of denial, may file a written request
25 for a hearing. The commissioner shall hold the hearing within twenty days
26 after receipt of the request for a hearing unless the party requesting the
27 hearing has requested a postponement. If the hearing is not held within
28 twenty days after a request for a hearing is received, plus the period of any
29 postponement, or if a proposed decision is not rendered within forty-five
30 days after submission, the order of denial shall be rescinded and a public
31 report issued.

32 L. On the commissioner's own motion, or when the commissioner has
33 received a complaint and has satisfactory evidence that the subdivider or the
34 subdivider's agent is violating this article or the rules of the commissioner
35 or has engaged in any unlawful practice as defined in section 44-1522 with
36 respect to the sale of subdivided lands or deviated from the provisions of
37 the public report, the commissioner may investigate the subdivision project
38 and examine the books and records of the subdivider. For the purpose of
39 examination, the subdivider shall keep and maintain records of all sales
40 transactions and funds received by the subdivider pursuant to the sales
41 transactions and shall make them accessible to the commissioner upon
42 reasonable notice and demand.

43 M. On the commissioner's own motion, or when the commissioner has
44 received a complaint and has satisfactory evidence that any person has
45 violated this article or the rules of the commissioner or has engaged in any

1 unlawful practice as defined in section 44-1522 with respect to the sale of
2 subdivided lands or deviated from the provisions of the public report or
3 special order of exemption, or has been indicted for fraud or against whom an
4 information for fraud has been filed or has been convicted of a felony,
5 before or after the commissioner issues the public report as provided in
6 subsection A of this section, the commissioner may conduct an investigation
7 of the matter, issue a summary order as provided in section 32-2157, or hold
8 a public hearing and, after the hearing, may issue the order or orders the
9 commissioner deems necessary to protect the public interest and ensure
10 compliance with the law, rules or public report or the commissioner may bring
11 action in any court of competent jurisdiction against the person to enjoin
12 the person from continuing the violation or engaging in or doing any act or
13 acts in furtherance of the violation. The court may make orders or
14 judgments, including the appointment of a receiver, necessary to prevent the
15 use or employment by a person of any unlawful practices, or which may be
16 necessary to restore to any person in interest any monies or property, real
17 or personal, that may have been acquired by means of any practice in this
18 article declared to be unlawful.

19 N. When it appears to the commissioner that a person has engaged in or
20 is engaging in a practice declared to be unlawful by this article and that
21 the person is concealing assets or self or has made arrangements to conceal
22 assets or is about to leave the state, the commissioner may apply to the
23 superior court, ex parte, for an order appointing a receiver of the assets of
24 the person or for a writ of ne exeat, or both.

25 O. The court, on receipt of an application for the appointment of a
26 receiver or for a writ of ne exeat, or both, shall examine the verified
27 application of the commissioner and other evidence that the commissioner may
28 present the court. If satisfied that the interests of the public require the
29 appointment of a receiver or the issuance of a writ of ne exeat without
30 notice, the court shall issue an order appointing the receiver or issue the
31 writ, or both. If the court determines that the interests of the public will
32 not be harmed by the giving of notice, the court shall set a time for a
33 hearing and require notice be given as the court deems satisfactory.

34 P. If the court appoints a receiver without notice, the court shall
35 further direct that a copy of the order appointing a receiver be served on
36 the person engaged in or engaging in a practice declared to be unlawful under
37 this article by delivering the order to the last address of the person that
38 is on file with the state real estate department. The order shall inform the
39 person that the person has the right to request a hearing within ten days of
40 the date of the order and, if requested, the hearing shall be held within
41 thirty days from the date of the order.

42 Sec. 30. [Repeal](#)

43 Section 32-2183, Arizona Revised Statutes, as amended by Laws 2010,
44 chapter 244, section 19, is repealed.

1 Sec. 31. Repeal
2 Section 34-201, Arizona Revised Statutes, as amended by Laws 2010,
3 chapter 117, section 12, is repealed.
4 Sec. 32. Section 37-132, Arizona Revised Statutes, as amended by Laws
5 2010, chapter 243, section 6, is amended to read:
6 37-132. Powers and duties
7 A. The commissioner shall:
8 1. Exercise and perform all powers and duties vested in or imposed
9 upon the department, and prescribe such rules as are necessary to discharge
10 those duties.
11 2. Exercise the powers of surveyor-general except for the powers of
12 the surveyor-general exercised by the treasurer as a member of the selection
13 board pursuant to section 37-202.
14 3. Make long-range plans for the future use of state lands in
15 cooperation with other state agencies, local planning authorities and
16 political subdivisions.
17 4. Promote the infill and orderly development of state lands in areas
18 beneficial to the trust and prevent urban sprawl or leapfrog development on
19 state lands.
20 5. Classify and appraise all state lands, together with the
21 improvements on state lands, for the purpose of sale, lease or grant of
22 rights-of-way. The commissioner may impose such conditions and covenants and
23 make such reservations in the sale of state lands as the commissioner deems
24 to be in the best interest of the state trust. The provisions of this
25 paragraph are subject to hearing procedures pursuant to title 41, chapter 6,
26 article 10 and, except as provided in section 41-1092.08, subsection H, are
27 subject to judicial review pursuant to title 12, chapter 7, article 6.
28 6. Have authority to lease for grazing, agricultural, homesite or
29 other purposes, except commercial, all land owned or held in trust by the
30 state.
31 7. Have authority to lease for commercial purposes and sell all land
32 owned or held in trust by the state, but any such lease for commercial
33 purposes or any such sale shall first be approved by the board of appeals.
34 8. Except as otherwise provided, determine all disputes, grievances or
35 other questions pertaining to the administration of state lands.
36 9. Appoint deputies and other assistants and employees necessary to
37 perform the duties of the department, assign their duties, ~~and~~ and require of
38 them such surety bonds as the commissioner deems proper. The compensation of
39 the deputy, assistants or employees shall be as determined pursuant to
40 section 38-611.
41 10. Make a written report to the governor annually, not later than
42 September 1, disclosing in detail the activities of the department for the
43 preceding fiscal year, and publish it for distribution. The report shall
44 include an evaluation of auctions of state land leases held during the
45 preceding fiscal year considering the advantages and disadvantages to the

1 state trust of the existence and exercise of preferred rights to lease
2 reclassified state land.

3 11. Withdraw state land from surface or subsurface sales or lease
4 applications if the commissioner deems it to be in the best interest of the
5 trust. This closure of state lands to new applications for sale or lease
6 does not affect the rights ~~which~~ THAT existing lessees have under law for
7 renewal of their leases and reimbursement for improvements.

8 B. The commissioner may:

9 1. Take evidence relating to, and may require of the various county
10 officers information on, any matter that the commissioner has the power to
11 investigate or determine.

12 2. Under such rules as the commissioner adopts, use private real
13 estate brokers to assist in any sale or long-term lease of state land and
14 pay, from fees collected under section 37-107, subsection B, paragraph 1, a
15 commission to a broker that is licensed pursuant to title 32, chapter 20 and
16 that provides the purchaser or lessee at auction. The purchaser or lessee at
17 auction is not eligible to receive a commission pursuant to this subsection.
18 A commission shall not be paid on a sale or a long-term lease if the
19 purchaser or lessee is a political subdivision of this state.

20 3. Require a permittee, lessee or grantee to post a surety bond or any
21 form of collateral deemed sufficient by the commissioner for performance or
22 restoration purposes. The commissioner shall use the proceeds of a bond or
23 collateral only for the purposes determined at the time the bond or
24 collateral is posted. For agricultural lessees, the commissioner may require
25 collateral as follows:

26 (a) As security for payment of the annual assessments levied by the
27 irrigation district in which the state land is located if the lessee has a
28 history of late payments or defaults. The amount of the collateral required
29 shall not exceed the annual assessment levied by the irrigation district.

30 (b) As security for payment of rent, if an extension of time for
31 payment is requested or if the lessee has a history of late payments of rent.
32 The collateral shall be submitted at the time any extension of time for
33 payment is requested. The amount of the collateral required shall not exceed
34 the annual amount of rent for the land.

35 (c) A surety bond shall be required only if the commissioner
36 determines that other forms of collateral are insufficient.

37 4. Withhold market and economic analyses, preliminary engineering,
38 site and area studies and appraisals that are collected during the urban
39 planning process from public viewing before they are submitted to local
40 planning and zoning authorities.

41 5. Withhold from public inspection proprietary information received
42 during lease negotiations. The proprietary information shall be released to
43 public inspection unless the release may harm the competitive position of the
44 applicant and the information could not have been obtained by other
45 legitimate means.

1 6. Issue permits for short-term use of state land for specific
2 purposes as prescribed by rule.

3 7. Contract with a third party to sell recreational permits. A third
4 party under contract pursuant to this paragraph may assess a surcharge for
5 its services as provided in the contract, in addition to the fees prescribed
6 pursuant to section 37-107.

7 8. Close urban lands to specific uses as prescribed by rule if
8 necessary for dust abatement, to reduce a risk from hazardous environmental
9 conditions that pose a risk to human health or safety or for remediation
10 purposes.

11 9. Notwithstanding subsection A, paragraph 4 of this section,
12 authorize, in the best interest of the trust, the extension of public
13 services and facilities either:

14 (a) That are necessary to implement plans of the local governing body,
15 including plans adopted or amended pursuant to section 9-461.06 or ~~11-824~~
16 [11-805](#).

17 (b) Across state lands that are either:

18 (i) Classified as suitable for conservation pursuant to section
19 37-312.

20 (ii) Sold or leased at auction for conservation purposes.

21 C. The commissioner or any deputy or employee of the department shall
22 not have, own or acquire, directly or indirectly, any state lands or the
23 products on any state lands, any interest in or to such lands or products, or
24 improvements on leased state lands, or be interested in any state irrigation
25 project affecting state lands.

26 Sec. 33. [Repeal](#)

27 Section 37-132, Arizona Revised Statutes, as amended by Laws 2010,
28 chapter 244, section 27, is repealed.

29 Sec. 34. [Retroactive application](#)

30 Sections 4, 5, 6, 7, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22,
31 23, 24, 25 and 26 apply retroactively to from and after June 30, 2011.

32 Sec. 35. [Effective date](#)

33 A. Sections 8 and 9 of this act are effective from and after August
34 31, 2011.

35 B. Sections 2, 3, 27, 28, 29, 30, 32 and 33 of this act are effective
36 from and after September 30, 2011.