

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1104

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-185, Arizona Revised Statutes, is amended to  
3 read:

4 15-185. Charter schools; financing; civil penalty;  
5 transportation; definitions

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

8 1. The charter school shall be included in the district's budget and  
9 financial assistance calculations pursuant to paragraph 3 of this subsection  
10 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
11 The charter of the charter school shall include a description of the methods  
12 of funding the charter school by the school district. The school district  
13 shall send a copy of the charter and application, including a description of  
14 how the school district plans to fund the school, to the state board of  
15 education before the start of the first fiscal year of operation of the  
16 charter school. The charter or application shall include an estimate of the  
17 student count for the charter school for its first fiscal year of operation.  
18 This estimate shall be computed pursuant to the requirements of paragraph 3  
19 of this subsection.

20 2. A school district is not financially responsible for any charter  
21 school that is sponsored by the state board of education, the state board for  
22 charter schools, a university under the jurisdiction of the Arizona board of  
23 regents, a community college district or a group of community college  
24 districts.

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

26 (a) Increase its student count as provided in subsection B, paragraph  
27 2 of this section during the first year of the charter school's operation to  
28 include those charter school pupils who were not previously enrolled in the  
29 school district. A charter school sponsored by a school district governing  
30 board is eligible for the assistance prescribed in subsection B, paragraph 4  
31 of this section. The soft capital allocation as provided in section 15-962  
32 for the school district sponsoring the charter school shall be increased by  
33 the amount of the additional assistance. The school district shall include  
34 the full amount of the additional assistance in the funding provided to the  
35 charter school.

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

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

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

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

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

33 B. Financial provisions for a charter school that is sponsored by the  
34 state board of education, the state board for charter schools, a university,  
35 a community college district or a group of community college districts are as  
36 follows:

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

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

21           3. A charter school may utilize section 15-855 for the purposes of  
22 this section. The charter school and the department of education shall  
23 prescribe procedures for determining average 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  
27 fifty-four dollars forty-one cents per student count in kindergarten programs  
28 and grades one through eight and one thousand nine hundred twenty-eight  
29 dollars nineteen 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.

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

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

37           D. Charter schools are allowed to accept grants and gifts to  
38 supplement their state funding, but it is not the intent of the charter

1 school law to require taxpayers to pay twice to educate the same pupils. The  
2 base support level for a charter school or for a school district sponsoring a  
3 charter school shall be reduced by an amount equal to the total amount of  
4 monies received by a charter school from a federal or state agency if the  
5 federal or state monies are intended for the basic maintenance and operations  
6 of the school. The superintendent of public instruction shall estimate the  
7 amount of the reduction for the budget year and shall revise the reduction to  
8 reflect the actual amount before May 15 of the current year. If the  
9 reduction results in a negative amount, the negative amount shall be used in  
10 computing all budget limits and equalization assistance, except that:

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

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

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

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

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

34 G. At the request of a charter school, the county school  
35 superintendent of the county where the charter school is located may provide  
36 the same educational services to the charter school as prescribed in section  
37 15-308, subsection A. The county school superintendent may charge a fee to  
38 recover costs for providing educational services to charter schools.

1           H. If the sponsor of the charter school determines at a public meeting  
2 that the charter school is not in compliance with federal law, with the laws  
3 of this state or with its charter, the sponsor of a charter school may submit  
4 a request to the department of education to withhold up to ten per cent of  
5 the monthly apportionment of state aid that would otherwise be due the  
6 charter school. The department of education shall adjust the charter  
7 school's apportionment accordingly. The sponsor shall provide written notice  
8 to the charter school at least seventy-two hours before the meeting and shall  
9 allow the charter school to respond to the allegations of noncompliance at  
10 the meeting before the sponsor makes a final determination to notify the  
11 department of education of noncompliance. The charter school shall submit a  
12 corrective action plan to the sponsor on a date specified by the sponsor at  
13 the meeting. The corrective action plan shall be designed to correct  
14 deficiencies at the charter school and to ensure that the charter school  
15 promptly returns to compliance. When the sponsor determines that the charter  
16 school is in compliance, the department of education shall restore the full  
17 amount of state aid payments to the charter school.

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

1           J. A charter school may receive and spend monies distributed by the  
2 department of education pursuant to section 42-5029, subsection E and section  
3 37-521, subsection B.

4           K. If a school district transports or contracts to transport pupils to  
5 the Arizona state schools for the deaf and the blind during any fiscal year,  
6 the school district may transport or contract with a charter school to  
7 transport sensory impaired pupils during that same fiscal year to a charter  
8 school if requested by the parent of the pupil and if the distance from the  
9 pupil's place of actual residence within the school district to the charter  
10 school is less than the distance from the pupil's place of actual residence  
11 within the school district to the campus of the Arizona state schools for the  
12 deaf and the blind.

13           L. Notwithstanding any other law, a university under the jurisdiction  
14 of the Arizona board of regents, a community college district or a group of  
15 community college districts shall not include any student in the student  
16 count of the university, community college district or group of community  
17 college districts for state funding purposes if that student is enrolled in  
18 and attending a charter school sponsored by the university, community college  
19 district or group of community college districts.

20           M. The governing body of a charter school shall transmit a copy of its  
21 proposed budget or the summary of the proposed budget and a notice of the  
22 public hearing to the department of education for posting on the department  
23 of education's website no later than ten days before the hearing and meeting.  
24 If the charter school maintains a website, the charter school governing body  
25 shall post on its website a copy of its proposed budget or the summary of the  
26 proposed budget and a notice of the public hearing.

27           N. The governing body of a charter school shall collaborate with the  
28 private organization that is approved by the state board of education  
29 pursuant to section 15-792.02 to provide approved board examination systems  
30 for the charter school.

31           O. If permitted by federal law, a charter school may opt out of  
32 federal grant opportunities if the charter holder or the appropriate  
33 governing body of the charter school determines that the federal requirements  
34 impose unduly burdensome reporting requirements.

35           P. For the purposes of this section:

36           1. "Monies intended for the basic maintenance and operations of the  
37 school" means monies intended to provide support for the educational program  
38 of the school, except that it does not include supplemental assistance for a

1 specific purpose or title VIII of the elementary and secondary education act  
2 of 1965 monies. The auditor general shall determine which federal or state  
3 monies meet the definition in this paragraph.

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

10 Sec. 2. Title 15, chapter 1, article 8, Arizona Revised Statutes, is  
11 amended by adding section 15-185.01, to read:

12 15-185.01. Charter school pupils attending joint technical  
13 education districts; average daily membership  
14 calculation

15 NOTWITHSTANDING SECTION 15-185, SUBSECTION C, IF A PUPIL IS ENROLLED IN  
16 BOTH A CHARTER SCHOOL AND A JOINT TECHNICAL EDUCATION DISTRICT AND RESIDES  
17 WITHIN THE BOUNDARIES OF A SCHOOL DISTRICT PARTICIPATING IN THE JOINT  
18 TECHNICAL EDUCATION DISTRICT, THE AVERAGE DAILY MEMBERSHIP FOR THAT PUPIL  
19 SHALL BE CALCULATED IN THE SAME MANNER PRESCRIBED FOR A PUPIL WHO IS ENROLLED  
20 IN BOTH THE MEMBER SCHOOL DISTRICT AND A JOINT TECHNOLOGICAL EDUCATION  
21 DISTRICT PURSUANT TO SECTION 15-393."

22 Amend title to conform

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