

State of Arizona  
Senate  
Fifty-first Legislature  
First Regular Session  
2013

**CHAPTER 68**  
**SENATE BILL 1204**

AN ACT

AMENDING SECTION 15-183, ARIZONA REVISED STATUTES; RELATING TO CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

7 A. An applicant seeking to establish a charter school shall submit a  
8 written application to a proposed sponsor as prescribed in subsection C of  
9 this section. The application, **APPLICATION PROCESS AND APPLICATION TIME**  
10 **FRAMES SHALL BE POSTED ON THE SPONSOR'S WEBSITE AND** shall include ~~a detailed~~  
11 ~~business plan for the charter school and may include a mission statement for~~  
12 ~~the charter school, a description of the charter school's organizational~~  
13 ~~structure and the governing body, a financial plan for the first three years~~  
14 ~~of operation of the charter school, a description of the charter school's~~  
15 ~~hiring policy, the name of the charter school's applicant or applicants and~~  
16 ~~requested sponsor, a description of the charter school's facility and the~~  
17 ~~location of the school, a description of the grades being served and an~~  
18 ~~outline of criteria designed to measure the effectiveness of the school.~~ **THE**  
19 **FOLLOWING, AS SPECIFIED IN THE APPLICATION ADOPTED BY THE SPONSOR:**

- 20 1. A DETAILED EDUCATIONAL PLAN.
- 21 2. A DETAILED BUSINESS PLAN.
- 22 3. A DETAILED OPERATIONAL PLAN.
- 23 4. ANY OTHER MATERIALS REQUIRED BY THE SPONSOR.

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

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

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

36 (a) An applicant for a charter school may submit its application to a  
37 school district governing board, which shall either accept or reject  
38 sponsorship of the charter school within ninety days. An applicant may  
39 submit a revised application for reconsideration by the governing board. If  
40 the governing board rejects the application, the governing board shall notify  
41 the applicant in writing of the reasons for the rejection. The applicant may  
42 request, and the governing board may provide, technical assistance to improve  
43 the application.

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

1 the school district is out of compliance with the uniform system of financial  
2 records. The notification shall include a statement that if the school  
3 district is determined to be out of compliance for a second consecutive year,  
4 the charter school will be required to transfer sponsorship to another entity  
5 pursuant to subdivision (c) of this paragraph.

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

24 (d) A school district governing board shall not grant a charter to a  
25 charter school that is located outside the geographic boundaries of that  
26 school district.

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

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

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

40 (b) Daily operations are carried out by different administrators.

41 (c) The applicant intends to have an affiliation agreement for the  
42 purpose of providing enrollment preferences.

43 (d) The applicant's charter management organization has multiple  
44 charter holders serving varied grade configurations on one physical site or  
45 nearby sites serving one community.

46 (e) It is reconstituting an existing school site population at the  
47 same or new site.

1 (f) It is reconstituting an existing grade configuration from a prior  
2 charter holder with at least one grade remaining on the original site with  
3 the other grade or grades moving to a new site.

4 The state board of education or the state board for charter schools may  
5 approve any charter schools transferring charters. The state board of  
6 education and the state board for charter schools shall approve any charter  
7 schools transferring charters from a school district that is determined to be  
8 out of compliance with the uniform system of financial records pursuant to  
9 this section, but may require the charter school to sign a new charter that  
10 is equivalent to the charter awarded by the former sponsor. If the state  
11 board of education or the state board for charter schools rejects the  
12 preliminary application, the state board of education or the state board for  
13 charter schools shall notify the applicant in writing of the reasons for the  
14 rejection and of suggestions for improving the application. An applicant may  
15 submit a revised application for reconsideration by the state board of  
16 education or the state board for charter schools. The applicant may request,  
17 and the state board of education or the state board for charter schools may  
18 provide, technical assistance to improve the application.

19 3. The applicant may submit the application to a university under the  
20 jurisdiction of the Arizona board of regents, a community college district or  
21 a group of community college districts. A university, a community college  
22 district or a group of community college districts may approve the  
23 application if it meets the requirements of this article and if the proposed  
24 sponsor determines, in its sole discretion, that the applicant is  
25 sufficiently qualified to operate a charter school.

26 4. Each applicant seeking to establish a charter school shall submit a  
27 full set of fingerprints to the approving agency for the purpose of obtaining  
28 a state and federal criminal records check pursuant to section 41-1750 and  
29 Public Law 92-544. If an applicant will have direct contact with students,  
30 the applicant shall possess a valid fingerprint clearance card that is issued  
31 pursuant to title 41, chapter 12, article 3.1. The department of public  
32 safety may exchange this fingerprint data with the federal bureau of  
33 investigation. The criminal records check shall be completed before the  
34 issuance of a charter.

35 5. All persons engaged in instructional work directly as a classroom,  
36 laboratory or other teacher or indirectly as a supervisory teacher, speech  
37 therapist or principal shall have a valid fingerprint clearance card that is  
38 issued pursuant to title 41, chapter 12, article 3.1, unless the person is a  
39 volunteer or guest speaker who is accompanied in the classroom by a person  
40 with a valid fingerprint clearance card. A charter school shall not employ a  
41 teacher whose certificate has been surrendered or revoked, unless the  
42 teacher's certificate has been subsequently reinstated by the state board of  
43 education. All other personnel shall be fingerprint checked pursuant to  
44 section 15-512. Before employment, the charter school shall make documented,  
45 good faith efforts to contact previous employers of a person to obtain  
46 information and recommendations that may be relevant to a person's fitness  
47 for employment as prescribed in section 15-512, subsection F. The charter

1 school shall notify the department of public safety if the charter school or  
2 sponsor receives credible evidence that a person who possesses a valid  
3 fingerprint clearance card is arrested for or is charged with an offense  
4 listed in section 41-1758.03, subsection B. Charter schools may hire  
5 personnel that have not yet received a fingerprint clearance card if proof is  
6 provided of the submission of an application to the department of public  
7 safety for a fingerprint clearance card and if the charter school that is  
8 seeking to hire the applicant does all of the following:

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

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

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

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

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

23 (f) Verifies the fingerprint status of the applicant with the  
24 department of public safety.

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

29 7. If a charter school operator is not already subject to a public  
30 meeting or hearing by the municipality in which the charter school is  
31 located, the operator of a charter school shall conduct a public meeting at  
32 least thirty days before the charter school operator opens a site or sites  
33 for the charter school. The charter school operator shall post notices of  
34 the public meeting in at least three different locations that are within  
35 three hundred feet of the proposed charter school site.

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

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

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

1 (b) Notify the person's employer or potential employer of the  
2 conviction.

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

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

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

10 E. The charter of a charter school shall do all of the following:

11 1. Ensure compliance with federal, state and local rules, regulations  
12 and statutes relating to health, safety, civil rights and insurance. The  
13 department of education shall publish a list of relevant rules, regulations  
14 and statutes to notify charter schools of their responsibilities under this  
15 paragraph.

16 2. Ensure that it is nonsectarian in its programs, admission policies  
17 and employment practices and all other operations.

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

23 4. Ensure that it designs a method to measure pupil progress toward  
24 the pupil outcomes adopted by the state board of education pursuant to  
25 section 15-741.01, including participation in the Arizona instrument to  
26 measure standards test and the nationally standardized norm-referenced  
27 achievement test as designated by the state board and the completion and  
28 distribution of an annual report card as prescribed in chapter 7, article 3  
29 of this title.

30 5. Ensure that, except as provided in this article and in its charter,  
31 it is exempt from all statutes and rules relating to schools, governing  
32 boards and school districts.

33 6. Ensure that, except as provided in this article, it is subject to  
34 the same financial and electronic data submission requirements as a school  
35 district, including the uniform system of financial records as prescribed in  
36 chapter 2, article 4 of this title, procurement rules as prescribed in  
37 section 15-213 and audit requirements. The auditor general shall conduct a  
38 comprehensive review and revision of the uniform system of financial records  
39 to ensure that the provisions of the uniform system of financial records that  
40 relate to charter schools are in accordance with commonly accepted accounting  
41 principles used by private business. A school's charter may include  
42 exceptions to the requirements of this paragraph that are necessary as  
43 determined by the district governing board, the state board of education or  
44 the state board for charter schools. The department of education or the  
45 office of the auditor general may conduct financial, program or compliance  
46 audits.

1           7. Ensure compliance with all federal and state laws relating to the  
2 education of children with disabilities in the same manner as a school  
3 district.

4           8. Ensure that it provides for a governing body for the charter school  
5 that is responsible for the policy decisions of the charter school.  
6 Notwithstanding section 1-216, if there is a vacancy or vacancies on the  
7 governing body, a majority of the remaining members of the governing body  
8 constitute a quorum for the transaction of business, unless that quorum is  
9 prohibited by the charter school's operating agreement.

10          9. Ensure that it provides a minimum of one hundred seventy-five  
11 instructional days before June 30 of each fiscal year unless it is operating  
12 on an alternative calendar approved by its sponsor. The superintendent of  
13 public instruction shall adjust the apportionment schedule accordingly to  
14 accommodate a charter school utilizing an alternative calendar.

15          F. ~~The charter of a charter school shall include a description of the~~  
16 ~~charter school's personnel policies, personnel qualifications and method of~~  
17 ~~school governance and the specific role and duties of the sponsor of the~~  
18 ~~charter school.~~ A charter school shall keep on file the resumes of all  
19 current and former employees who provide instruction to pupils at the charter  
20 school. Resumes shall include an individual's educational and teaching  
21 background and experience in a particular academic content subject area. A  
22 charter school shall inform parents and guardians of the availability of the  
23 resume information and shall make the resume information available for  
24 inspection on request of parents and guardians of pupils enrolled at the  
25 charter school. ~~Nothing in~~ This subsection ~~shall be construed to~~ DOES NOT  
26 require any charter school to release personally identifiable information in  
27 relation to any teacher or employee, including the teacher's or employee's  
28 address, salary, social security number or telephone number.

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

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

32          I. ~~An approved plan to establish a charter school~~ THE CHARTER is  
33 effective for fifteen years from the first day of the fiscal year ~~the charter~~  
34 ~~school is in operation~~ AS SPECIFIED IN THE CHARTER, subject to the following:

35           1. At least eighteen months before the expiration of the ~~approved plan~~  
36 CHARTER, the sponsor shall notify the charter school that the charter school  
37 may apply for renewal AND SHALL MAKE THE RENEWAL APPLICATION AVAILABLE TO THE  
38 CHARTER SCHOOL. A charter school that elects to apply for renewal shall file  
39 ~~an~~ A COMPLETE RENEWAL application ~~for renewal~~ at least fifteen months before  
40 the expiration of the ~~approved plan~~ CHARTER. ~~In addition to any other~~  
41 ~~requirements, the application for renewal shall include a detailed business~~  
42 ~~plan for the charter school, a review of fiscal audits and academic~~  
43 ~~performance data for the charter school that are annually collected by the~~  
44 ~~sponsor and a review of the current contract between the sponsor and the~~  
45 ~~charter school.~~ A sponsor shall give written notice of its intent not to  
46 renew the charter school's request for renewal to the charter school at least  
47 twelve months before the expiration of the CHARTER. ~~approved plan to allow~~

1 ~~the charter school an opportunity to apply to another sponsor to transfer the~~  
2 ~~operation of the charter school. If the operation of the charter school is~~  
3 ~~transferred to another sponsor, the fifteen year period of the current~~  
4 ~~charter shall be maintained.~~ The sponsor shall make data used in making  
5 renewal decisions available to the school and the public and shall provide a  
6 public report summarizing the evidence basis for each decision. The sponsor  
7 may deny the request for renewal if, in its judgment, the charter holder has  
8 failed to do any of the following:

9 (a) Meet or make sufficient progress toward the academic performance  
10 expectations set forth in the performance framework ~~or any improvement plans.~~

11 (b) Meet the operational performance expectations set forth in the  
12 performance framework or any improvement plans.

13 (c) Complete the obligations of the contract.

14 (d) Comply with this article or any provision of law from which the  
15 charter school is not exempt.

16 2. A charter operator may apply for early renewal. At least nine  
17 months before the charter school's intended renewal consideration, the  
18 operator of the charter school shall submit a letter of intent to the sponsor  
19 to apply for early renewal. The sponsor shall review fiscal audits and  
20 academic performance data for the charter school that are annually collected  
21 by the sponsor, review the current contract between the sponsor and the  
22 charter school and provide the qualifying charter school with a renewal  
23 application. On submission of a complete application, the sponsor shall give  
24 written notice of its consideration of the renewal application. **THE SPONSOR**  
25 **MAY DENY THE REQUEST FOR EARLY RENEWAL IF, IN THE SPONSOR'S JUDGMENT, THE**  
26 **CHARTER HOLDER HAS FAILED TO DO ANY OF THE FOLLOWING:**

27 (a) **MEET OR MAKE SUFFICIENT PROGRESS TOWARD THE ACADEMIC PERFORMANCE**  
28 **EXPECTATIONS SET FORTH IN THE PERFORMANCE FRAMEWORK.**

29 (b) **MEET THE OPERATIONAL PERFORMANCE EXPECTATIONS SET FORTH IN THE**  
30 **PERFORMANCE FRAMEWORK OR ANY IMPROVEMENT PLANS.**

31 (c) **COMPLETE THE OBLIGATIONS OF THE CONTRACT.**

32 (d) **COMPLY WITH THIS ARTICLE OR ANY PROVISION OF LAW FROM WHICH THE**  
33 **CHARTER SCHOOL IS NOT EXEMPT.**

34 3. A sponsor shall review a charter at five-year intervals using a  
35 performance framework adopted by the sponsor and may revoke a charter at any  
36 time if the charter school breaches one or more provisions of its charter **OR**  
37 **IF THE SPONSOR DETERMINES THAT THE CHARTER HOLDER HAS FAILED TO DO ANY OF THE**  
38 **FOLLOWING:**

39 (a) **MEET OR MAKE SUFFICIENT PROGRESS TOWARD THE ACADEMIC PERFORMANCE**  
40 **EXPECTATIONS SET FORTH IN THE PERFORMANCE FRAMEWORK.**

41 (b) **MEET THE OPERATIONAL PERFORMANCE EXPECTATIONS SET FORTH IN THE**  
42 **PERFORMANCE FRAMEWORK OR ANY IMPROVEMENT PLANS.**

43 (c) **COMPLY WITH THIS ARTICLE OR ANY PROVISION OF LAW FROM WHICH THE**  
44 **CHARTER SCHOOL IS NOT EXEMPT.**

45 4. At least ~~ninety~~ **SIXTY** days before the effective date of the  
46 proposed revocation, the sponsor shall give written notice to the operator of  
47 the charter school of its intent to revoke the charter. Notice of the

1 sponsor's intent to revoke the charter shall be delivered personally to the  
2 operator of the charter school or sent by certified mail, return receipt  
3 requested, to the address of the charter school. The notice shall  
4 incorporate a statement of reasons for the proposed revocation of the  
5 charter. The sponsor shall allow the charter school at least ~~ninety~~ SIXTY  
6 days to correct the problems associated with the reasons for the proposed  
7 revocation of the charter. The final determination of whether to revoke the  
8 charter shall be made at a public hearing called for such purpose.

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

12 K. A charter school that is sponsored by the state board of education,  
13 the state board for charter schools, a university, a community college  
14 district or a group of community college districts may not be located on the  
15 property of a school district unless the district governing board grants this  
16 authority.

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

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

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

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

- 42 (a) Suspension or termination of the program.
- 43 (b) Transfer or reassignment of the program to a less favorable  
44 department.
- 45 (c) Relocation of the program to a less favorable site within the  
46 school or school district.
- 47 (d) Significant reduction or termination of funding for the program.

1 M. Charter schools shall secure insurance for liability and property  
2 loss. The governing body of a charter school that is sponsored by the state  
3 board of education or the state board for charter schools may enter into an  
4 intergovernmental agreement or otherwise contract to participate in an  
5 insurance program offered by a risk retention pool established pursuant to  
6 section 11-952.01 or 41-621.01 or the charter school may secure its own  
7 insurance coverage. The pool may charge the requesting charter school  
8 reasonable fees for any services it performs in connection with the insurance  
9 program.

10 N. Charter schools do not have the authority to acquire property by  
11 eminent domain.

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

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

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

26 R. The sponsoring entity of a charter school shall have oversight and  
27 administrative responsibility for the charter schools that it sponsors. In  
28 implementing its oversight and administrative responsibilities, the sponsor  
29 shall ground its actions in evidence of the charter holder's performance in  
30 accordance with the performance framework adopted by the sponsor. The  
31 performance framework **SHALL BE PUBLICLY AVAILABLE, PLACED ON THE SPONSORING**  
32 **ENTITY'S WEBSITE AND** shall include:

33 1. The academic performance expectations of the charter school and the  
34 measurement of sufficient progress toward the academic performance  
35 expectations.

36 2. The operational expectations of the charter school, including  
37 adherence to all applicable laws and obligations of the charter contract.

38 3. Intervention and improvement policies.

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

41 T. All property accumulated by a charter school shall remain the  
42 property of the charter school.

43 U. Charter schools may not locate a school on property that is less  
44 than one-fourth mile from agricultural land regulated pursuant to section  
45 3-365, except that the owner of the agricultural land may agree to comply  
46 with the buffer zone requirements of section 3-365. If the owner agrees in  
47 writing to comply with the buffer zone requirements and records the agreement

1 in the office of the county recorder as a restrictive covenant running with  
2 the title to the land, the charter school may locate a school within the  
3 affected buffer zone. The agreement may include any stipulations regarding  
4 the charter school, including conditions for future expansion of the school  
5 and changes in the operational status of the school that will result in a  
6 breach of the agreement.

7 V. A transfer of a charter to another sponsor, a transfer of a charter  
8 school site to another sponsor or a transfer of a charter school site to a  
9 different charter shall be completed before the beginning of the fiscal year  
10 that the transfer is scheduled to become effective. An entity that sponsors  
11 charter schools may accept a transferring school after the beginning of the  
12 fiscal year if the transfer is approved by the superintendent of public  
13 instruction. The superintendent of public instruction shall have the  
14 discretion to consider each transfer during the fiscal year on a case by case  
15 basis. If a charter school is sponsored by a school district that is  
16 determined to be out of compliance with this title, the uniform system of  
17 financial records or any other state or federal law, the charter school may  
18 transfer to another sponsoring entity at any time during the fiscal year. A  
19 charter holder seeking to transfer sponsors shall comply with the current  
20 charter terms regarding assignment of the charter. A charter holder  
21 transferring sponsors shall notify the current sponsor that the transfer has  
22 been approved by the new sponsor.

23 W. Notwithstanding subsection V of this section, a charter holder on  
24 an improvement plan must notify parents or guardians of registered students  
25 of the intent to transfer the charter and the timing of the proposed  
26 transfer. ~~Upon~~ ON the approved transfer, the new sponsor shall enforce the  
27 improvement plan but may modify the plan based on performance.

28 X. Notwithstanding subsection Y of this section, the state board for  
29 charter schools shall charge a processing fee to any charter school that  
30 amends its contract to participate in Arizona online instruction pursuant to  
31 section 15-808. The charter Arizona online instruction processing fund is  
32 established consisting of fees collected and administered by the state board  
33 for charter schools. The state board for charter schools shall use monies in  
34 the fund only for the processing of contract amendments for charter schools  
35 participating in Arizona online instruction. Monies in the fund are  
36 continuously appropriated.

37 Y. The sponsoring entity may not charge any fees to a charter school  
38 that it sponsors unless the sponsor has provided services to the charter  
39 school and the fees represent the full value of those services provided by  
40 the sponsor. On request, the value of the services provided by the sponsor  
41 to the charter school shall be demonstrated to the department of education.

42 Z. Charter schools may enter into an intergovernmental agreement with  
43 a presiding judge of the juvenile court to implement a law related education  
44 program as defined in section 15-154. The presiding judge of the juvenile  
45 court may assign juvenile probation officers to participate in a law related  
46 education program in any charter school in the county. The cost of juvenile

1 probation officers who participate in the program implemented pursuant to  
2 this subsection shall be funded by the charter school.

3 AA. The sponsor of a charter school shall modify previously approved  
4 curriculum requirements for a charter school that wishes to participate in  
5 the board examination system prescribed in chapter 7, article 6 of this  
6 title.

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

11 CC. Notwithstanding subsection Y of this section, a sponsor of charter  
12 schools may charge a new charter application processing fee to any applicant.  
13 The application fee shall fully cover the cost of application review and any  
14 needed technical assistance. Authorizers may approve policies that allow a  
15 portion of the fee to be returned to the applicant whose charter is approved.

16 Sec. 2. Exemption from rule making

17 Notwithstanding section 41-1008, Arizona Revised Statutes, the state  
18 board for charter schools is exempt from the rule making requirements of  
19 title 41, chapter 6, Arizona Revised Statutes, for rules that must be  
20 established prior to charging a fee, for two years after the effective date  
21 of this act.

22 Sec. 3. Emergency

23 This act is an emergency measure that is necessary to preserve the  
24 public peace, health or safety and is operative immediately as provided by  
25 law.

APPROVED BY THE GOVERNOR APRIL 5, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 5, 2013.