

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **SB 1193**

Olson Floor Amendment

As passed the Committee on Education, SB 1193 requires charter school sponsors to consider progress towards academic performance expectations as one of the most important factors in determining charter renewal and submit an annual report to the Office of the Auditor General.

The 10-Page Olson Floor Amendment to the Education Committee Amendment to SB 1193 dated 3/26/15 at 9:46 A.M. modifies the prohibition on the Small School Weight being applied individually to charter holders that hold one or more charters to apply to charter holders that hold more than one charter.

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OLSON FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1193
(Reference to EDUCATION Committee amendment)

1 Page 12, between lines 3 and 4, insert:

2 "Sec. 2. Section 15-185, Arizona Revised Statutes, as amended by Laws
3 2015, chapter 15, section 1, is amended to read:

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

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.

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

2 (a) Increase its student count as provided in subsection B, paragraph
3 2 of this section during the first year of the charter school's operation to
4 include those charter school pupils who were not previously enrolled in the
5 school district. A charter school sponsored by a school district governing
6 board is eligible for the charter additional assistance prescribed in
7 subsection B, paragraph 4 of this section. The district additional
8 assistance allocation as provided in section 15-961 for the school district
9 sponsoring the charter school shall be increased by the amount of the charter
10 additional assistance. The school district shall include the full amount of
11 the charter additional assistance in the funding provided to the charter
12 school.

13 (b) Compute separate weighted student counts pursuant to section
14 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
15 school pupils in order to maintain eligibility for small school district
16 support level weights authorized in section 15-943, paragraph 1 for its
17 noncharter school pupils only. The portion of a district's student count
18 that is attributable to charter school pupils is not eligible for small
19 school district support level weights.

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

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

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

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

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

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

18 1. The charter school shall calculate a base support level as
19 prescribed in section 15-943, except that:

20 (a) Section 15-941 does not apply to these charter schools.

21 (b) The small school weights prescribed in section 15-943, paragraph 1
22 apply if a charter holder, as defined in section 15-101, holds one charter
23 for one or more school sites and the average daily membership for the school
24 sites are combined for the calculation of the small school weight. The small
25 school weight shall not be applied individually to a charter holder if one or
26 more of the following conditions exists and the combined average daily
27 membership derived from the following conditions is greater than six hundred:

28 (i) The organizational structure or management agreement of the
29 charter holder requires the charter holder or charter school to contract with
30 a specific management company.

31 (ii) The governing body of the charter holder has identical membership
32 to another charter holder in this state.

1 (iii) The charter holder is a subsidiary of a corporation that has
2 other subsidiaries that are charter holders in this state.

3 (iv) The charter holder holds ~~one or more charters~~ **THAN ONE CHARTER** in
4 this state.

5 (c) Notwithstanding subdivision (b) of this paragraph, for fiscal year
6 2015-2016 the department of education shall reduce by thirty-three percent
7 the amount provided by the small school weight for charter schools prescribed
8 in subdivision (b) of this paragraph.

9 (d) Notwithstanding subdivision (b) of this paragraph, for fiscal year
10 2016-2017 the department of education shall reduce by sixty-seven percent the
11 amount provided by the small school weight for affiliated charter schools
12 prescribed in subdivision (b) of this paragraph.

13 2. Notwithstanding paragraph 1 of this subsection, the student count
14 shall be determined initially using an estimated student count based on
15 actual registration of pupils before the beginning of the school year.
16 Notwithstanding section 15-1042, subsection F, student level data submitted
17 to the department may be used to determine estimated student counts. After
18 the first forty days, one hundred days or two hundred days in session, as
19 applicable, the charter school shall revise the student count to be equal to
20 the actual average daily membership, as defined in section 15-901, of the
21 charter school. Before the fortieth day, one hundredth day or two hundredth
22 day in session, as applicable, the state board of education, the state board
23 for charter schools, the sponsoring university, the sponsoring community
24 college district or the sponsoring group of community college districts may
25 require a charter school to report periodically regarding pupil enrollment
26 and attendance, and the department of education may revise its computation of
27 equalization assistance based on the report. A charter school shall revise
28 its student count, base support level and charter additional assistance
29 before May 15. A charter school that overestimated its student count shall
30 revise its budget before May 15. A charter school that underestimated its
31 student count may revise its budget before May 15.

1 3. A charter school may utilize section 15-855 for the purposes of
2 this section. The charter school and the department of education shall
3 prescribe procedures for determining average daily membership.

4 4. Equalization assistance for the charter school shall be determined
5 by adding the amount of the base support level and charter additional
6 assistance. The amount of the charter additional assistance is one thousand
7 seven hundred thirty-four dollars ninety-two cents per student count in
8 preschool programs for children with disabilities, kindergarten programs and
9 grades one through eight and two thousand twenty-two dollars two cents per
10 student count in grades nine through twelve.

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

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

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

26 C. If a pupil is enrolled in both a charter school and a public school
27 that is not a charter school, the sum of the daily membership, which includes
28 enrollment as prescribed in section 15-901, subsection A, paragraph 1,
29 subdivisions (a) and (b) and daily attendance as prescribed in section
30 15-901, subsection A, paragraph 5, for that pupil in the school district and
31 the charter school shall not exceed 1.0. If a pupil is enrolled in both a
32 charter school and a public school that is not a charter school, the

1 department of education shall direct the average daily membership to the
2 school with the most recent enrollment date. On validation of actual
3 enrollment in both a charter school and a public school that is not a charter
4 school and if the sum of the daily membership or daily attendance for that
5 pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be
6 apportioned between the public school and the charter school based on the
7 percentage of total time that the pupil is enrolled or in attendance in the
8 public school and the charter school. The uniform system of financial
9 records shall include guidelines for the apportionment of the pupil
10 enrollment and attendance as provided in this section.

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

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

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

28 3. For a charter school sponsored by a school district, the base
29 support level for the school district shall not be reduced by more than the
30 amount that the charter school increased the district's base support level
31 and district additional assistance allocation.

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

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

15 G. At the request of a charter school, the county school
16 superintendent of the county where the charter school is located may provide
17 the same educational services to the charter school as prescribed in section
18 15-308, subsection A. The county school superintendent may charge a fee to
19 recover costs for providing educational services to charter schools.

20 H. If the sponsor of the charter school determines at a public meeting
21 that the charter school is not in compliance with federal law, with the laws
22 of this state or with its charter, the sponsor of a charter school may submit
23 a request to the department of education to withhold up to ten percent of the
24 monthly apportionment of state aid that would otherwise be due the charter
25 school. The department of education shall adjust the charter school's
26 apportionment accordingly. The sponsor shall provide written notice to the
27 charter school at least seventy-two hours before the meeting and shall allow
28 the charter school to respond to the allegations of noncompliance at the
29 meeting before the sponsor makes a final determination to notify the
30 department of education of noncompliance. The charter school shall submit a
31 corrective action plan to the sponsor on a date specified by the sponsor at
32 the meeting. The corrective action plan shall be designed to correct

1 deficiencies at the charter school and to ensure that the charter school
2 promptly returns to compliance. When the sponsor determines that the charter
3 school is in compliance, the department of education shall restore the full
4 amount of state aid payments to the charter school.

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

25 J. A charter school may receive and spend monies distributed by the
26 department of education pursuant to section 42-5029, subsection E and section
27 37-521, subsection B.

28 K. If a school district transports or contracts to transport pupils to
29 the Arizona state schools for the deaf and the blind during any fiscal year,
30 the school district may transport or contract with a charter school to
31 transport sensory impaired pupils during that same fiscal year to a charter
32 school if requested by the parent of the pupil and if the distance from the

1 pupil's place of actual residence within the school district to the charter
2 school is less than the distance from the pupil's place of actual residence
3 within the school district to the campus of the Arizona state schools for the
4 deaf and the blind.

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

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

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

23 O. If permitted by federal law, a charter school may opt out of
24 federal grant opportunities if the charter holder or the appropriate
25 governing body of the charter school determines that the federal requirements
26 impose unduly burdensome reporting requirements.

27 P. For the purposes of this section:

28 1. "Monies intended for the basic maintenance and operations of the
29 school" means monies intended to provide support for the educational program
30 of the school, except that it does not include supplemental assistance for a
31 specific purpose or title VIII of the elementary and secondary education act

1 of 1965 monies. The auditor general shall determine which federal or state
2 monies meet the definition in this paragraph.

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

9 Amend title to conform

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