

State of Arizona  
Senate  
Fifty-second Legislature  
First Regular Session  
2015

# SENATE BILL 1286

AN ACT

AMENDING SECTIONS 15-183 AND 15-185, 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; definitions

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 the  
11 following, as specified in the application adopted by the sponsor:

- 12 1. A detailed educational plan.
- 13 2. A detailed business plan.
- 14 3. A detailed operational plan.
- 15 4. Any other materials required by the sponsor.

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

19 C. The sponsor of a charter school may be either a school district  
20 governing board, the state board of education, the state board for charter  
21 schools, a university under the jurisdiction of the Arizona board of regents,  
22 A PRIVATE UNIVERSITY, A PRIVATE COLLEGE, a community college district with  
23 enrollment of more than fifteen thousand full-time equivalent students or a  
24 group of community college districts with a combined enrollment of more than  
25 fifteen thousand full-time equivalent students, subject to the following  
26 requirements:

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

29 (a) An applicant for a charter school may submit its application to a  
30 school district governing board, which shall either accept or reject  
31 sponsorship of the charter school within ninety days. An applicant may  
32 submit a revised application for reconsideration by the governing board. If  
33 the governing board rejects the application, the governing board shall notify  
34 the applicant in writing of the reasons for the rejection. The applicant may  
35 request, and the governing board may provide, technical assistance to improve  
36 the application.

37 (b) In the first year that a school district is determined to be out  
38 of compliance with the uniform system of financial records, within fifteen  
39 days of the determination of noncompliance, the school district shall notify  
40 by certified mail each charter school sponsored by the school district that  
41 the school district is out of compliance with the uniform system of financial  
42 records. The notification shall include a statement that if the school  
43 district is determined to be out of compliance for a second consecutive year,  
44 the charter school will be required to transfer sponsorship to another entity  
45 pursuant to subdivision (c) of this paragraph.

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

19 (d) A school district governing board shall not grant a charter to a  
20 charter school that is located outside the geographic boundaries of that  
21 school district.

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

25 (f) Notwithstanding any other law, a school district governing board  
26 shall not grant a charter to a new charter school that begins initial  
27 operations after June 30, 2013 or convert an existing district public school  
28 to a charter school that begins initial operations after June 30, 2013.

29 2. The applicant may submit the application to the state board of  
30 education or the state board for charter schools. Notwithstanding any other  
31 law, neither the state board for charter schools nor the state board of  
32 education shall grant a charter to a school district governing board for a  
33 new charter school that begins initial operations after June 30, 2013 or for  
34 the conversion of an existing district public school to a charter school that  
35 begins initial operations after June 30, 2013. The state board of education  
36 or the state board for charter schools may approve the application if the  
37 application meets the requirements of this article and may approve the  
38 charter if the proposed sponsor determines, within its sole discretion, that  
39 the applicant is sufficiently qualified to operate a charter school and that  
40 the applicant is applying to operate as a separate charter holder by  
41 considering factors such as whether:

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

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

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

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

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

8 (f) It is reconstituting an existing grade configuration from a prior  
9 charter holder with at least one grade remaining on the original site with  
10 the other grade or grades moving to a new site. The state board of education  
11 or the state board for charter schools may approve any charter schools  
12 transferring charters. The state board of education and the state board for  
13 charter schools shall approve any charter schools transferring charters from  
14 a school district that is determined to be out of compliance with the uniform  
15 system of financial records pursuant to this section, but may require the  
16 charter school to sign a new charter that is equivalent to the charter  
17 awarded by the former sponsor. If the state board of education or the state  
18 board for charter schools rejects the preliminary application, the state  
19 board of education or the state board for charter schools shall notify the  
20 applicant in writing of the reasons for the rejection and of suggestions for  
21 improving the application. An applicant may submit a revised application for  
22 reconsideration by the state board of education or the state board for  
23 charter schools. The applicant may request, and the state board of education  
24 or the state board for charter schools may provide, technical assistance to  
25 improve the application.

26 3. The applicant may submit the application to a university under the  
27 jurisdiction of the Arizona board of regents, [A PRIVATE UNIVERSITY](#), [A PRIVATE](#)  
28 [COLLEGE](#), a community college district or a group of community college  
29 districts. A university, [A PRIVATE UNIVERSITY](#), [A PRIVATE COLLEGE](#), a  
30 community college district or a group of community college districts shall  
31 not grant a charter to a school district governing board for a new charter  
32 school that begins initial operations after June 30, 2013 or for the  
33 conversion of an existing district public school to a charter school that  
34 begins initial operations after June 30, 2013. A university, [A PRIVATE](#)  
35 [UNIVERSITY](#), [A PRIVATE COLLEGE](#), a community college district or a group of  
36 community college districts may approve the application if it meets the  
37 requirements of this article and if the proposed sponsor determines, in its  
38 sole discretion, that the applicant is sufficiently qualified to operate a  
39 charter school.

40 4. Each applicant seeking to establish a charter school shall submit a  
41 full set of fingerprints to the approving agency for the purpose of obtaining  
42 a state and federal criminal records check pursuant to section 41-1750 and  
43 Public Law 92-544. If an applicant will have direct contact with students,  
44 the applicant shall possess a valid fingerprint clearance card that is issued  
45 pursuant to title 41, chapter 12, article 3.1. The department of public

1 safety may exchange this fingerprint data with the federal bureau of  
2 investigation. The criminal records check shall be completed before the  
3 issuance of a charter.

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

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

29 (b) Ensures that the department of public safety completes a statewide  
30 criminal records check on the applicant. A statewide criminal records check  
31 shall be completed by the department of public safety every one hundred  
32 twenty days until the date that the fingerprint check is completed or the  
33 fingerprint clearance card is issued or denied.

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

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

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

42 (f) Verifies the fingerprint status of the applicant with the  
43 department of public safety.

44 6. A charter school that complies with the fingerprinting requirements  
45 of this section shall be deemed to have complied with section 15-512 and is

1 entitled to the same rights and protections provided to school districts by  
2 section 15-512.

3 7. If a charter school operator is not already subject to a public  
4 meeting or hearing by the municipality in which the charter school is  
5 located, the operator of a charter school shall conduct a public meeting at  
6 least thirty days before the charter school operator opens a site or sites  
7 for the charter school. The charter school operator shall post notices of  
8 the public meeting in at least three different locations that are within  
9 three hundred feet of the proposed charter school site.

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

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

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

22 (b) Notify the person's employer or potential employer of the  
23 conviction.

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

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

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

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

32 1. Ensure compliance with federal, state and local rules, regulations  
33 and statutes relating to health, safety, civil rights and insurance. The  
34 department of education shall publish a list of relevant rules, regulations  
35 and statutes to notify charter schools of their responsibilities under this  
36 paragraph.

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

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

44 4. Ensure that it designs a method to measure pupil progress toward  
45 the pupil outcomes adopted by the state board of education pursuant to

1 section 15-741.01, including participation in the Arizona instrument to  
2 measure standards test and the nationally standardized norm-referenced  
3 achievement test as designated by the state board and the completion and  
4 distribution of an annual report card as prescribed in chapter 7, article 3  
5 of this title.

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

9 6. Ensure that, except as provided in this article, it is subject to  
10 the same financial and electronic data submission requirements as a school  
11 district, including the uniform system of financial records as prescribed in  
12 chapter 2, article 4 of this title, procurement rules as prescribed in  
13 section 15-213 and audit requirements. The auditor general shall conduct a  
14 comprehensive review and revision of the uniform system of financial records  
15 to ensure that the provisions of the uniform system of financial records that  
16 relate to charter schools are in accordance with commonly accepted accounting  
17 principles used by private business. A school's charter may include  
18 exceptions to the requirements of this paragraph that are necessary as  
19 determined by the district governing board, the university, [THE PRIVATE](#)  
20 [UNIVERSITY](#), [THE PRIVATE COLLEGE](#), the community college district, the group of  
21 community college districts, the state board of education or the state board  
22 for charter schools. The department of education or the office of the  
23 auditor general may conduct financial, program or compliance audits.

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

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

33 9. Ensure that it provides a minimum of one hundred eighty  
34 instructional days before June 30 of each fiscal year unless it is operating  
35 on an alternative calendar approved by its sponsor. The superintendent of  
36 public instruction shall adjust the apportionment schedule accordingly to  
37 accommodate a charter school utilizing an alternative calendar.

38 F. A charter school shall keep on file the resumes of all current and  
39 former employees who provide instruction to pupils at the charter school.  
40 Resumes shall include an individual's educational and teaching background and  
41 experience in a particular academic content subject area. A charter school  
42 shall inform parents and guardians of the availability of the resume  
43 information and shall make the resume information available for inspection on  
44 request of parents and guardians of pupils enrolled at the charter school.  
45 This subsection does not require any charter school to release personally

1 identifiable information in relation to any teacher or employee, including  
2 the teacher's or employee's address, salary, social security number or  
3 telephone number.

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

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

7 I. The charter is effective for fifteen years from the first day of  
8 the fiscal year as specified in the charter, subject to the following:

9 1. At least eighteen months before the expiration of the charter, the  
10 sponsor shall notify the charter school that the charter school may apply for  
11 renewal and shall make the renewal application available to the charter  
12 school. A charter school that elects to apply for renewal shall file a  
13 complete renewal application at least fifteen months before the expiration of  
14 the charter. A sponsor shall give written notice of its intent not to renew  
15 the charter school's request for renewal to the charter school at least  
16 twelve months before the expiration of the charter. The sponsor shall make  
17 data used in making renewal decisions available to the school and the public  
18 and shall provide a public report summarizing the evidence basis for each  
19 decision. The sponsor may deny the request for renewal if, in its judgment,  
20 the charter holder has failed to do any of the following:

21 (a) Meet or make sufficient progress toward the academic performance  
22 expectations set forth in the performance framework.

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

25 (c) Complete the obligations of the contract.

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

28 2. A charter operator may apply for early renewal. At least nine  
29 months before the charter school's intended renewal consideration, the  
30 operator of the charter school shall submit a letter of intent to the sponsor  
31 to apply for early renewal. The sponsor shall review fiscal audits and  
32 academic performance data for the charter school that are annually collected  
33 by the sponsor, review the current contract between the sponsor and the  
34 charter school and provide the qualifying charter school with a renewal  
35 application. On submission of a complete application, the sponsor shall give  
36 written notice of its consideration of the renewal application. The sponsor  
37 may deny the request for early renewal if, in the sponsor's judgment, the  
38 charter holder has failed to do any of the 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) Complete the obligations of the contract.

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

1           3. A sponsor shall review a charter at five-year intervals using a  
2 performance framework adopted by the sponsor and may revoke a charter at any  
3 time if the charter school breaches one or more provisions of its charter or  
4 if the sponsor determines that the charter holder has failed to do any of the  
5 following:

6           (a) Meet or make sufficient progress toward the academic performance  
7 expectations set forth in the performance framework.

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

10          (c) Comply with this article or any provision of law from which the  
11 charter school is not exempt.

12          4. At least sixty days before the effective date of the proposed  
13 revocation, the sponsor shall give written notice to the operator of the  
14 charter school of its intent to revoke the charter. Notice of the sponsor's  
15 intent to revoke the charter shall be delivered personally to the operator of  
16 the charter school or sent by certified mail, return receipt requested, to  
17 the address of the charter school. The notice shall incorporate a statement  
18 of reasons for the proposed revocation of the charter. The sponsor shall  
19 allow the charter school at least sixty days to correct the problems  
20 associated with the reasons for the proposed revocation of the charter. The  
21 final determination of whether to revoke the charter shall be made at a  
22 public hearing called for such purpose.

23          J. The charter may be renewed for successive periods of twenty years.

24          K. A charter school that is sponsored by the state board of education,  
25 the state board for charter schools, a university, [A PRIVATE UNIVERSITY](#), [A](#)  
26 [PRIVATE COLLEGE](#), a community college district or a group of community college  
27 districts may not be located on the property of a school district unless the  
28 district governing board grants this authority.

29          L. A governing board or a school district employee who has control  
30 over personnel actions shall not take unlawful reprisal against another  
31 employee of the school district because the employee is directly or  
32 indirectly involved in an application to establish a charter school. A  
33 governing board or a school district employee shall not take unlawful  
34 reprisal against an educational program of the school or the school district  
35 because an application to establish a charter school proposes the conversion  
36 of all or a portion of the educational program to a charter school. For the  
37 purposes of this subsection, "unlawful reprisal" means an action that is  
38 taken by a governing board or a school district employee as a direct result  
39 of a lawful application to establish a charter school and that is adverse to  
40 another employee or an education program and:

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

43           (a) Disciplinary or corrective action.

44           (b) Detail, transfer or reassignment.

45           (c) Suspension, demotion or dismissal.

- 1 (d) An unfavorable performance evaluation.
- 2 (e) A reduction in pay, benefits or awards.
- 3 (f) Elimination of the employee's position without a reduction in
- 4 force by reason of lack of monies or work.
- 5 (g) Other significant changes in duties or responsibilities that are
- 6 inconsistent with the employee's salary or employment classification.
- 7 2. With respect to an educational program, results in one or more of
- 8 the following:
  - 9 (a) Suspension or termination of the program.
  - 10 (b) Transfer or reassignment of the program to a less favorable
  - 11 department.
  - 12 (c) Relocation of the program to a less favorable site within the
  - 13 school or school district.
  - 14 (d) Significant reduction or termination of funding for the program.
- 15 M. Charter schools shall secure insurance for liability and property
- 16 loss. The governing body of a charter school that is sponsored by the state
- 17 board of education or the state board for charter schools may enter into an
- 18 intergovernmental agreement or otherwise contract to participate in an
- 19 insurance program offered by a risk retention pool established pursuant to
- 20 section 11-952.01 or 41-621.01 or the charter school may secure its own
- 21 insurance coverage. The pool may charge the requesting charter school
- 22 reasonable fees for any services it performs in connection with the insurance
- 23 program.
- 24 N. Charter schools do not have the authority to acquire property by
- 25 eminent domain.
- 26 O. A sponsor, including members, officers and employees of the
- 27 sponsor, is immune from personal liability for all acts done and actions
- 28 taken in good faith within the scope of its authority.
- 29 P. Charter school sponsors and this state are not liable for the debts
- 30 or financial obligations of a charter school or persons who operate charter
- 31 schools.
- 32 Q. The sponsor of a charter school shall establish procedures to
- 33 conduct administrative hearings on determination by the sponsor that grounds
- 34 exist to revoke a charter. Procedures for administrative hearings shall be
- 35 similar to procedures prescribed for adjudicative proceedings in title 41,
- 36 chapter 6, article 10. Except as provided in section 41-1092.08, subsection
- 37 H, final decisions of the state board of education and the state board for
- 38 charter schools from hearings conducted pursuant to this subsection are
- 39 subject to judicial review pursuant to title 12, chapter 7, article 6.
- 40 R. The sponsoring entity of a charter school shall have oversight and
- 41 administrative responsibility for the charter schools that it sponsors. In
- 42 implementing its oversight and administrative responsibilities, the sponsor
- 43 shall ground its actions in evidence of the charter holder's performance in
- 44 accordance with the performance framework adopted by the sponsor. The

1 performance framework shall be publicly available, shall be placed on the  
2 sponsoring entity's website and shall include:

3 1. The academic performance expectations of the charter school and the  
4 measurement of sufficient progress toward the academic performance  
5 expectations.

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

8 3. Intervention and improvement policies.

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

11 T. All property accumulated by a charter school shall remain the  
12 property of the charter school.

13 U. Charter schools may not locate a school on property that is less  
14 than one-fourth mile from agricultural land regulated pursuant to section  
15 3-365, except that the owner of the agricultural land may agree to comply  
16 with the buffer zone requirements of section 3-365. If the owner agrees in  
17 writing to comply with the buffer zone requirements and records the agreement  
18 in the office of the county recorder as a restrictive covenant running with  
19 the title to the land, the charter school may locate a school within the  
20 affected buffer zone. The agreement may include any stipulations regarding  
21 the charter school, including conditions for future expansion of the school  
22 and changes in the operational status of the school that will result in a  
23 breach of the agreement.

24 V. A transfer of a charter to another sponsor, a transfer of a charter  
25 school site to another sponsor or a transfer of a charter school site to a  
26 different charter shall be completed before the beginning of the fiscal year  
27 that the transfer is scheduled to become effective. An entity that sponsors  
28 charter schools may accept a transferring school after the beginning of the  
29 fiscal year if the transfer is approved by the superintendent of public  
30 instruction. The superintendent of public instruction shall have the  
31 discretion to consider each transfer during the fiscal year on a case by case  
32 basis. If a charter school is sponsored by a school district that is  
33 determined to be out of compliance with this title, the uniform system of  
34 financial records or any other state or federal law, the charter school may  
35 transfer to another sponsoring entity at any time during the fiscal year. A  
36 charter holder seeking to transfer sponsors shall comply with the current  
37 charter terms regarding assignment of the charter. A charter holder  
38 transferring sponsors shall notify the current sponsor that the transfer has  
39 been approved by the new sponsor.

40 W. Notwithstanding subsection V of this section, a charter holder on  
41 an improvement plan must notify parents or guardians of registered students  
42 of the intent to transfer the charter and the timing of the proposed  
43 transfer. On the approved transfer, the new sponsor shall enforce the  
44 improvement plan but may modify the plan based on performance.

1 X. Notwithstanding subsection Y of this section, the state board for  
2 charter schools shall charge a processing fee to any charter school that  
3 amends its contract to participate in Arizona online instruction pursuant to  
4 section 15-808. The charter Arizona online instruction processing fund is  
5 established consisting of fees collected and administered by the state board  
6 for charter schools. The state board for charter schools shall use monies in  
7 the fund only for the processing of contract amendments for charter schools  
8 participating in Arizona online instruction. Monies in the fund are  
9 continuously appropriated.

10 Y. The sponsoring entity may not charge any fees to a charter school  
11 that it sponsors unless the sponsor has provided services to the charter  
12 school and the fees represent the full value of those services provided by  
13 the sponsor. On request, the value of the services provided by the sponsor  
14 to the charter school shall be demonstrated to the department of education.

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

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

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

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

35 DD. A charter school may choose to provide a preschool program for  
36 children with disabilities pursuant to section 15-771.

37 EE. Pursuant to the prescribed graduation requirements adopted by the  
38 state board of education, the governing body of a charter school operating a  
39 high school may approve a rigorous computer science course that would fulfill  
40 a mathematics course required for graduation from high school. The governing  
41 body may approve a rigorous computer science course only if the rigorous  
42 computer science course includes significant mathematics content and the  
43 governing body determines the high school where the rigorous computer science  
44 course is offered has sufficient capacity, infrastructure and qualified  
45 staff, including competent teachers of computer science.

1 FF. A charter school may permit the use of school property, including  
2 school buildings, grounds, buses and equipment, by any person, group or  
3 organization for any lawful purpose, including A recreational, educational,  
4 political, economic, artistic, moral, scientific, social, religious or other  
5 civic or governmental purpose. The charter school may charge a reasonable  
6 fee for the use of the school property.

7 GG. A charter school and its employees, including the governing body,  
8 or chief administrative officer, are immune from civil liability with respect  
9 to all decisions made and actions taken to allow the use of school property,  
10 unless the charter school or its employees are guilty of gross negligence or  
11 intentional misconduct. This subsection does not limit any other immunity  
12 provisions that are prescribed by law.

13 HH. FOR THE PURPOSES OF THIS SECTION:

14 1. "PRIVATE COLLEGE" MEANS A PRIVATE COLLEGE THAT OFFERS BACCALAUREATE  
15 DEGREES, THAT HAS BEEN IN OPERATION IN THIS STATE FOR AT LEAST FIVE YEARS AND  
16 THAT IS NATIONALLY OR REGIONALLY ACCREDITED BY AN AGENCY THAT IS RECOGNIZED  
17 BY THE UNITED STATES DEPARTMENT OF EDUCATION OR BY THE COUNCIL ON  
18 POSTSECONDARY ACCREDITATION AND LICENSED BY THE STATE BOARD FOR PRIVATE  
19 POSTSECONDARY EDUCATION.

20 2. "PRIVATE UNIVERSITY" MEANS A PRIVATE UNIVERSITY THAT OFFERS  
21 BACCALAUREATE DEGREES, THAT HAS BEEN IN OPERATION IN THIS STATE FOR AT LEAST  
22 FIVE YEARS AND THAT IS NATIONALLY OR REGIONALLY ACCREDITED BY AN AGENCY THAT  
23 IS RECOGNIZED BY THE UNITED STATES DEPARTMENT OF EDUCATION OR BY THE COUNCIL  
24 ON POSTSECONDARY ACCREDITATION AND LICENSED BY THE STATE BOARD FOR PRIVATE  
25 POSTSECONDARY EDUCATION.

26 Sec. 2. Section 15-185, Arizona Revised Statutes, is amended to read:

27 15-185. Charter schools; financing; civil penalty;  
28 transportation; definitions

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

31 1. The charter school shall be included in the district's budget and  
32 financial assistance calculations pursuant to paragraph 3 of this subsection  
33 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
34 The charter of the charter school shall include a description of the methods  
35 of funding the charter school by the school district. The school district  
36 shall send a copy of the charter and application, including a description of  
37 how the school district plans to fund the school, to the state board of  
38 education before the start of the first fiscal year of operation of the  
39 charter school. The charter or application shall include an estimate of the  
40 student count for the charter school for its first fiscal year of operation.  
41 This estimate shall be computed pursuant to the requirements of paragraph 3  
42 of this subsection.

43 2. A school district is not financially responsible for any charter  
44 school that is sponsored by the state board of education, the state board for  
45 charter schools, a university under the jurisdiction of the Arizona board of

1 regents, A PRIVATE UNIVERSITY, A PRIVATE COLLEGE, a community college  
2 district or a group of community college districts.

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

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

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

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

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

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

38 7. If a school district converts one or more of its district public  
39 schools to a charter school and receives assistance as prescribed in  
40 subsection B, paragraph 4 of this section, and subsequently converts the  
41 charter school back to a district public school, the school district shall  
42 repay the state the total charter additional assistance received for the  
43 charter school for all years that the charter school was in operation. The  
44 repayment shall be in one lump sum and shall be reduced from the school  
45 district's current year equalization assistance. The school district's

1 general budget limit shall be reduced by the same lump sum amount in the  
2 current year.

3 B. Financial provisions for a charter school that is sponsored by the  
4 state board of education, the state board for charter schools, a university,  
5 A PRIVATE UNIVERSITY, A PRIVATE COLLEGE, a community college district or a  
6 group of community college districts are as follows:

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

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

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

33 4. Equalization assistance for the charter school shall be determined  
34 by adding the amount of the base support level and charter additional  
35 assistance. The amount of the charter additional assistance is one thousand  
36 seven hundred seven dollars seventy-seven cents per student count in  
37 preschool programs for children with disabilities, kindergarten programs and  
38 grades one through eight and one thousand nine hundred ninety dollars  
39 thirty-eight cents per student count in grades nine through twelve.

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

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

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

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

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

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

41           2. For a charter school sponsored by the state board of education, the  
42 state board for charter schools, a university, [A PRIVATE UNIVERSITY](#), [A](#)  
43 [PRIVATE COLLEGE](#), a community college district or a group of community college  
44 districts, the total of the base support level and the charter additional  
45 assistance shall not be less than zero.

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

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

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

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

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

41           I. In addition to the withholding of state aid payments pursuant to  
42 subsection H of this section, the sponsor of a charter school may impose a  
43 civil penalty of one thousand dollars per occurrence if a charter school  
44 fails to comply with the fingerprinting requirements prescribed in section  
45 15-183, subsection C or section 15-512. The sponsor of a charter school

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

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

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

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

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

1           N. The governing body of a charter school shall collaborate 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. If permitted by federal law, a charter school may opt out of  
6 federal grant opportunities if the charter holder or the appropriate  
7 governing body of the charter school determines that the federal requirements  
8 impose unduly burdensome reporting requirements.

9           P. For the purposes of this section:

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

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