

REFERENCE TITLE: schools; academic standards; tests

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

## **SB 1458**

Introduced by  
Senators Ward, Burges; Representatives Borrelli, Townsend; Senators Allen,  
Farnsworth D; Representatives Bowers, Finchem, Gray, Leach

AN ACT

AMENDING SECTIONS 8-521, 15-183, 15-211, 15-241, 15-701, 15-701.01, 15-702,  
15-704, 15-720.01, 15-741, 15-743, 15-746, 15-763, 15-792.02, 15-977 AND  
15-1805.01, ARIZONA REVISED STATUTES; RELATING TO SCHOOL ASSESSMENT AND  
ACCOUNTABILITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 8-521, Arizona Revised Statutes, is amended to  
3 read:

4 8-521. Independent living program; conditions; eligibility;  
5 rules; case management unit; reports

6 A. The department or a licensed child welfare agency may establish an  
7 independent living program for youths who are the subject of a dependency  
8 petition or who are adjudicated dependent and are all of the following:

9 1. In the custody of the department, a licensed child welfare agency  
10 or a tribal child welfare agency.

11 2. At least seventeen years of age.

12 3. Employed or full-time students.

13 B. The independent living program may consist of a residential program  
14 of less than twenty-four ~~hours~~ HOURS a day supervision for youths under the  
15 supervision of the department through a licensed child welfare agency or a  
16 foster home under contract with the department. Under the independent living  
17 program the youth is not required to reside at a licensed child welfare  
18 agency or foster home.

19 C. The director or the director's designee shall review and approve  
20 any recommendation to the court that a youth in the custody of the department  
21 be ordered to an independent living program.

22 D. For a youth to participate in an independent living program, the  
23 court must order such a disposition pursuant to section 8-845.

24 E. The department of child safety, a licensed child welfare agency or  
25 a tribal child welfare agency having custody of the youth shall provide the  
26 cost of care as required by section 46-134 for each child placed in an  
27 independent living program pursuant to this section, except that the monthly  
28 amount provided shall not exceed the average monthly cost of purchased  
29 services for the child in the three months immediately preceding placement in  
30 an independent living program.

31 F. The department shall adopt rules pursuant to title 41, chapter 6 to  
32 carry out this section.

33 G. The department shall provide quarterly progress reports to the  
34 court and to local foster care review boards for each youth participating in  
35 the independent living program.

36 H. The local foster care review boards shall review at least once  
37 every six months the case of each youth participating in the independent  
38 living program.

39 I. The department shall establish an educational case management unit  
40 within the division consisting of two case managers to develop and coordinate  
41 educational case management plans for youths participating in the independent  
42 living program and to assist youths in the program to do the following:

43 1. Graduate from high school.

44 2. Pass the ~~Arizona~~ instrument to measure standards test.

45 3. Apply for postsecondary financial assistance.

- 1           4. Apply for postsecondary education.
- 2           J. The department shall prepare a report on or before March 1 of each
- 3 year that contains the following information for the previous calendar year:
- 4           1. The number of children in the program.
- 5           2. The number of children in the program by age and grade.
- 6           3. The number of children in the program by county of residence.
- 7           4. The number of children in the program who graduated from high
- 8 school.
- 9           5. The number of children in the program who received a general
- 10 equivalency diploma.
- 11           6. The number of children in the program enrolled in postsecondary
- 12 education.

13           K. The department shall submit a copy of the report prescribed in

14 subsection J of this section to the governor, the president of the senate,

15 the speaker of the house of representatives and the secretary of state.

16           Sec. 2. Section 15-183, Arizona Revised Statutes, is amended to read:

17           15-183. Charter schools; application; requirements; immunity;

18 exemptions; renewal of application; reprisal; fee;

19 funds

20           A. An applicant seeking to establish a charter school shall submit a

21 written application to a proposed sponsor as prescribed in subsection C of

22 this section. The application, application process and application time

23 frames shall be posted on the sponsor's website and shall include the

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

- 25           1. A detailed educational plan.
- 26           2. A detailed business plan.
- 27           3. A detailed operational plan.
- 28           4. Any other materials required by the sponsor.

29           B. The sponsor of a charter school may contract with a public body,

30 private person or private organization for the purpose of establishing a

31 charter school pursuant to this article.

32           C. The sponsor of a charter school may be either a school district

33 governing board, the state board of education, the state board for charter

34 schools, a university under the jurisdiction of the Arizona board of regents,

35 a community college district with enrollment of more than fifteen thousand

36 full-time equivalent students or a group of community college districts with

37 a combined enrollment of more than fifteen thousand full-time equivalent

38 students, subject to the following requirements:

39           1. For charter schools that submit an application for sponsorship to a

40 school district governing board:

41           (a) An applicant for a charter school may submit its application to a

42 school district governing board, which shall either accept or reject

43 sponsorship of the charter school within ninety days. An applicant may

44 submit a revised application for reconsideration by the governing board. If

45 the governing board rejects the application, the governing board shall notify

1 the applicant in writing of the reasons for the rejection. The applicant may  
2 request, and the governing board may provide, technical assistance to improve  
3 the application.

4 (b) In the first year that a school district is determined to be out  
5 of compliance with the uniform system of financial records, within fifteen  
6 days of the determination of noncompliance, the school district shall notify  
7 by certified mail each charter school sponsored by the school district that  
8 the school district is out of compliance with the uniform system of financial  
9 records. The notification shall include a statement that if the school  
10 district is determined to be out of compliance for a second consecutive year,  
11 the charter school will be required to transfer sponsorship to another entity  
12 pursuant to subdivision (c) of this paragraph.

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

31 (d) A school district governing board shall not grant a charter to a  
32 charter school that is located outside the geographic boundaries of that  
33 school district.

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

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

41 2. The applicant may submit the application to the state board of  
42 education or the state board for charter schools. Notwithstanding any other  
43 law, neither the state board for charter schools nor the state board of  
44 education shall grant a charter to a school district governing board for a  
45 new charter school that begins initial operations after June 30, 2013 or for

1 the conversion of an existing district public school to a charter school that  
2 begins initial operations after June 30, 2013. The state board of education  
3 or the state board for charter schools may approve the application if the  
4 application meets the requirements of this article and may approve the  
5 charter if the proposed sponsor determines, within its sole discretion, that  
6 the applicant is sufficiently qualified to operate a charter school and that  
7 the applicant is applying to operate as a separate charter holder by  
8 considering factors such as whether:

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

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

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

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

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

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

37 3. The applicant may submit the application to a university under the  
38 jurisdiction of the Arizona board of regents, a community college district or  
39 a group of community college districts. A university, a community college  
40 district or a group of community college districts shall not grant a charter  
41 to a school district governing board for a new charter school that begins  
42 initial operations after June 30, 2013 or for the conversion of an existing  
43 district public school to a charter school that begins initial operations  
44 after June 30, 2013. A university, a community college district or a group  
45 of community college districts may approve the application if it meets the

1 requirements of this article and if the proposed sponsor determines, in its  
2 sole discretion, that the applicant is sufficiently qualified to operate a  
3 charter school.

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

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

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

38 (b) Ensures that the department of public safety completes a statewide  
39 criminal records check on the applicant. A statewide criminal records check  
40 shall be completed by the department of public safety every one hundred  
41 twenty days until the date that the fingerprint check is completed or the  
42 fingerprint clearance card is issued or denied.

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

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

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

6 (f) Verifies the fingerprint status of the applicant with the  
7 department of public safety.

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

12 7. If a charter school operator is not already subject to a public  
13 meeting or hearing by the municipality in which the charter school is  
14 located, the operator of a charter school shall conduct a public meeting at  
15 least thirty days before the charter school operator opens a site or sites  
16 for the charter school. The charter school operator shall post notices of  
17 the public meeting in at least three different locations that are within  
18 three hundred feet of the proposed charter school site.

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

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

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

31 (b) Notify the person's employer or potential employer of the  
32 conviction.

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

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

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

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

41 1. Ensure compliance with federal, state and local rules, regulations  
42 and statutes relating to health, safety, civil rights and insurance. The  
43 department of education shall publish a list of relevant rules, regulations  
44 and statutes to notify charter schools of their responsibilities under this  
45 paragraph.

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

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

8           4. Ensure that it designs a method to measure pupil progress toward  
9 the pupil outcomes adopted by the state board of education pursuant to  
10 section 15-741.01, including participation in the ~~Arizona~~ instrument to  
11 measure standards test and the nationally standardized norm-referenced  
12 achievement test as designated by the state board and the completion and  
13 distribution of an annual report card as prescribed in chapter 7, article 3  
14 of this title.

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

18           6. Ensure that, except as provided in this article, it is subject to  
19 the same financial and electronic data submission requirements as a school  
20 district, including the uniform system of financial records as prescribed in  
21 chapter 2, article 4 of this title, procurement rules as prescribed in  
22 section 15-213 and audit requirements. The auditor general shall conduct a  
23 comprehensive review and revision of the uniform system of financial records  
24 to ensure that the provisions of the uniform system of financial records that  
25 relate to charter schools are in accordance with commonly accepted accounting  
26 principles used by private business. A school's charter may include  
27 exceptions to the requirements of this paragraph that are necessary as  
28 determined by the district governing board, the university, the community  
29 college district, the group of community college districts, the state board  
30 of education or the state board for charter schools. The department of  
31 education or the office of the auditor general may conduct financial, program  
32 or compliance audits.

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

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

42           9. Ensure that it provides a minimum of one hundred eighty  
43 instructional days before June 30 of each fiscal year unless it is operating  
44 on an alternative calendar approved by its sponsor. The superintendent of

1 public instruction shall adjust the apportionment schedule accordingly to  
2 accommodate a charter school utilizing an alternative calendar.

3 F. A charter school shall keep on file the resumes of all current and  
4 former employees who provide instruction to pupils at the charter school.  
5 Resumes shall include an individual's educational and teaching background and  
6 experience in a particular academic content subject area. A charter school  
7 shall inform parents and guardians of the availability of the resume  
8 information and shall make the resume information available for inspection on  
9 request of parents and guardians of pupils enrolled at the charter school.  
10 This subsection does not require any charter school to release personally  
11 identifiable information in relation to any teacher or employee, including  
12 the teacher's or employee's address, salary, social security number or  
13 telephone number.

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

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

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

19 1. At least eighteen months before the expiration of the charter, the  
20 sponsor shall notify the charter school that the charter school may apply for  
21 renewal and shall make the renewal application available to the charter  
22 school. A charter school that elects to apply for renewal shall file a  
23 complete renewal application at least fifteen months before the expiration of  
24 the charter. A sponsor shall give written notice of its intent not to renew  
25 the charter school's request for renewal to the charter school at least  
26 twelve months before the expiration of the charter. The sponsor shall make  
27 data used in making renewal decisions available to the school and the public  
28 and shall provide a public report summarizing the evidence basis for each  
29 decision. The sponsor may deny the request for renewal if, in its judgment,  
30 the charter holder has failed to do any of the following:

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

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

35 (c) Complete the obligations of the contract.

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

38 2. A charter operator may apply for early renewal. At least nine  
39 months before the charter school's intended renewal consideration, the  
40 operator of the charter school shall submit a letter of intent to the sponsor  
41 to apply for early renewal. The sponsor shall review fiscal audits and  
42 academic performance data for the charter school that are annually collected  
43 by the sponsor, review the current contract between the sponsor and the  
44 charter school and provide the qualifying charter school with a renewal  
45 application. On submission of a complete application, the sponsor shall give

1 written notice of its consideration of the renewal application. The sponsor  
2 may deny the request for early renewal if, in the sponsor's judgment, the  
3 charter holder has failed to do any of the following:

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

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

8 (c) Complete the obligations of the contract.

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

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

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

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

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

22 4. At least sixty days before the effective date of the proposed  
23 revocation, the sponsor shall give written notice to the operator of the  
24 charter school of its intent to revoke the charter. Notice of the sponsor's  
25 intent to revoke the charter shall be delivered personally to the operator of  
26 the charter school or sent by certified mail, return receipt requested, to  
27 the address of the charter school. The notice shall incorporate a statement  
28 of reasons for the proposed revocation of the charter. The sponsor shall  
29 allow the charter school at least sixty days to correct the problems  
30 associated with the reasons for the proposed revocation of the charter. The  
31 final determination of whether to revoke the charter shall be made at a  
32 public hearing called for such purpose.

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

34 K. A charter school that is sponsored by the state board of education,  
35 the state board for charter schools, a university, a community college  
36 district or a group of community college districts may not be located on the  
37 property of a school district unless the district governing board grants this  
38 authority.

39 L. A governing board or a school district employee who has control  
40 over personnel actions shall not take unlawful reprisal against another  
41 employee of the school district because the employee is directly or  
42 indirectly involved in an application to establish a charter school. A  
43 governing board or a school district employee shall not take unlawful  
44 reprisal against an educational program of the school or the school district  
45 because an application to establish a charter school proposes the conversion

1 of all or a portion of the educational program to a charter school. For the  
2 purposes of this subsection, "unlawful reprisal" means an action that is  
3 taken by a governing board or a school district employee as a direct result  
4 of a lawful application to establish a charter school and that is adverse to  
5 another employee or an education program and:

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

8 (a) Disciplinary or corrective action.

9 (b) Detail, transfer or reassignment.

10 (c) Suspension, demotion or dismissal.

11 (d) An unfavorable performance evaluation.

12 (e) A reduction in pay, benefits or awards.

13 (f) Elimination of the employee's position without a reduction in  
14 force by reason of lack of monies or work.

15 (g) Other significant changes in duties or responsibilities that are  
16 inconsistent with the employee's salary or employment classification.

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

19 (a) Suspension or termination of the program.

20 (b) Transfer or reassignment of the program to a less favorable  
21 department.

22 (c) Relocation of the program to a less favorable site within the  
23 school or school district.

24 (d) Significant reduction or termination of funding for the program.

25 M. Charter schools shall secure insurance for liability and property  
26 loss. The governing body of a charter school that is sponsored by the state  
27 board of education or the state board for charter schools may enter into an  
28 intergovernmental agreement or otherwise contract to participate in an  
29 insurance program offered by a risk retention pool established pursuant to  
30 section 11-952.01 or 41-621.01 or the charter school may secure its own  
31 insurance coverage. The pool may charge the requesting charter school  
32 reasonable fees for any services it performs in connection with the insurance  
33 program.

34 N. Charter schools do not have the authority to acquire property by  
35 eminent domain.

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

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

42 Q. The sponsor of a charter school shall establish procedures to  
43 conduct administrative hearings on determination by the sponsor that grounds  
44 exist to revoke a charter. Procedures for administrative hearings shall be  
45 similar to procedures prescribed for adjudicative proceedings in title 41,

1 chapter 6, article 10. Except as provided in section 41-1092.08, subsection  
2 H, final decisions of the state board of education and the state board for  
3 charter schools from hearings conducted pursuant to this subsection are  
4 subject to judicial review pursuant to title 12, chapter 7, article 6.

5 R. The sponsoring entity of a charter school shall have oversight and  
6 administrative responsibility for the charter schools that it sponsors. In  
7 implementing its oversight and administrative responsibilities, the sponsor  
8 shall ground its actions in evidence of the charter holder's performance in  
9 accordance with the performance framework adopted by the sponsor. The  
10 performance framework shall be publicly available, shall be placed on the  
11 sponsoring entity's website and shall include:

12 1. The academic performance expectations of the charter school and the  
13 measurement of sufficient progress toward the academic performance  
14 expectations.

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

17 3. Intervention and improvement policies.

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

20 T. All property accumulated by a charter school shall remain the  
21 property of the charter school.

22 U. Charter schools may not locate a school on property that is less  
23 than one-fourth mile from agricultural land regulated pursuant to section  
24 3-365, except that the owner of the agricultural land may agree to comply  
25 with the buffer zone requirements of section 3-365. If the owner agrees in  
26 writing to comply with the buffer zone requirements and records the agreement  
27 in the office of the county recorder as a restrictive covenant running with  
28 the title to the land, the charter school may locate a school within the  
29 affected buffer zone. The agreement may include any stipulations regarding  
30 the charter school, including conditions for future expansion of the school  
31 and changes in the operational status of the school that will result in a  
32 breach of the agreement.

33 V. A transfer of a charter to another sponsor, a transfer of a charter  
34 school site to another sponsor or a transfer of a charter school site to a  
35 different charter shall be completed before the beginning of the fiscal year  
36 that the transfer is scheduled to become effective. An entity that sponsors  
37 charter schools may accept a transferring school after the beginning of the  
38 fiscal year if the transfer is approved by the superintendent of public  
39 instruction. The superintendent of public instruction shall have the  
40 discretion to consider each transfer during the fiscal year on a case by case  
41 basis. If a charter school is sponsored by a school district that is  
42 determined to be out of compliance with this title, the uniform system of  
43 financial records or any other state or federal law, the charter school may  
44 transfer to another sponsoring entity at any time during the fiscal year. A  
45 charter holder seeking to transfer sponsors shall comply with the current

1 charter terms regarding assignment of the charter. A charter holder  
2 transferring sponsors shall notify the current sponsor that the transfer has  
3 been approved by the new sponsor.

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

9 X. Notwithstanding subsection Y of this section, the state board for  
10 charter schools shall charge a processing fee to any charter school that  
11 amends its contract to participate in Arizona online instruction pursuant to  
12 section 15-808. The charter Arizona online instruction processing fund is  
13 established consisting of fees collected and administered by the state board  
14 for charter schools. The state board for charter schools shall use monies in  
15 the fund only for the processing of contract amendments for charter schools  
16 participating in Arizona online instruction. Monies in the fund are  
17 continuously appropriated.

18 Y. The sponsoring entity may not charge any fees to a charter school  
19 that it sponsors unless the sponsor has provided services to the charter  
20 school and the fees represent the full value of those services provided by  
21 the sponsor. On request, the value of the services provided by the sponsor  
22 to the charter school shall be demonstrated to the department of education.

23 Z. Charter schools may enter into an intergovernmental agreement with  
24 a presiding judge of the juvenile court to implement a law related education  
25 program as defined in section 15-154. The presiding judge of the juvenile  
26 court may assign juvenile probation officers to participate in a law related  
27 education program in any charter school in the county. The cost of juvenile  
28 probation officers who participate in the program implemented pursuant to  
29 this subsection shall be funded by the charter school.

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

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

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

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

1 EE. Pursuant to the prescribed graduation requirements adopted by the  
 2 state board of education, the governing body of a charter school operating a  
 3 high school may approve a rigorous computer science course that would fulfill  
 4 a mathematics course required for graduation from high school. The governing  
 5 body may approve a rigorous computer science course only if the rigorous  
 6 computer science course includes significant mathematics content and the  
 7 governing body determines the high school where the rigorous computer science  
 8 course is offered has sufficient capacity, infrastructure and qualified  
 9 staff, including competent teachers of computer science.

10 FF. A charter school may permit the use of school property, including  
 11 school buildings, grounds, buses and equipment, by any person, group or  
 12 organization for any lawful purpose, including A recreational, educational,  
 13 political, economic, artistic, moral, scientific, social, religious or other  
 14 civic or governmental purpose. The charter school may charge a reasonable  
 15 fee for the use of the school property.

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

22 Sec. 3. Section 15-211, Arizona Revised Statutes, is amended to read:  
 23 15-211. K-3 reading program; receipt and use of monies;  
 24 additional funding; program termination

25 A. The state board of education, in collaboration with the department  
 26 of education, shall establish a K-3 reading program to improve the reading  
 27 proficiency of pupils in kindergarten programs and grades one, two and three  
 28 in the public schools of this state.

29 B. On or before October 1, 2012, each school district and charter  
 30 school shall submit to the state board of education a plan for improving the  
 31 reading proficiency of its pupils in kindergarten programs and grades one,  
 32 two and three. The plan shall include baseline data on the reading  
 33 proficiency of its pupils in kindergarten programs and grades one, two and  
 34 three and a budget for spending monies from both the K-3 support level weight  
 35 and the K-3 reading support level weight established in section 15-943.  
 36 Beginning in fiscal year 2013-2014 and each fiscal year thereafter, each  
 37 school district and charter school shall submit to the state board of  
 38 education on or before October 1 an updated K-3 reading program plan that  
 39 includes data on program expenditures and results.

40 C. School districts and charter schools shall use monies generated by  
 41 the K-3 reading support level weight established in section 15-943 only on  
 42 reading programs for pupils in kindergarten programs and grades one, two and  
 43 three with particular emphasis on pupils in kindergarten programs and grades  
 44 one and two.

1 D. Each school district and charter school that is assigned a letter  
2 grade of C, D or F pursuant to section 15-241, subsection H or that has more  
3 than ten ~~per cent~~ PERCENT of its pupils in grade three reading far below the  
4 third grade level according to the reading portion of the ~~Arizona~~ instrument  
5 to measure standards test, ~~or a successor test~~, shall receive monies  
6 generated by the K-3 reading support level weight established in section  
7 15-943 only after the K-3 reading program plan of the school district or  
8 charter school has been approved by the state board of education.

9 E. Pupils in a charter school that is in its first year of operation  
10 and that is sponsored by the state board of education, the state board for  
11 charter schools, a university under the jurisdiction of the Arizona board of  
12 regents, a community college district or a group of community college  
13 districts are eligible for the K-3 reading support level weight.

14 F. The department of education shall solicit gifts, grants and  
15 donations from any lawful public or private source in order to provide  
16 additional funding for the K-3 reading program.

17 G. The program established by this section ends on July 1, 2022  
18 pursuant to section 41-3102.

19 Sec. 4. Section 15-241, Arizona Revised Statutes, is amended to read:  
20 15-241. School and school district accountability; failing  
21 schools tutoring fund; classification label for  
22 school districts and charter school operators

23 A. The department of education shall compile an annual achievement  
24 profile for each public school and school district.

25 B. Each school and school district shall submit to the department any  
26 data that is required and requested and that is necessary to compile the  
27 achievement profile. A school or school district that fails to submit the  
28 information that is necessary is not eligible to receive monies from the  
29 classroom site fund established by section 15-977.

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

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

42 1. The Arizona measure of academic progress. The department shall  
43 compute the extent of academic progress made by the pupils in each school and  
44 school district during the course of each year.

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

11           3. Academic performance and academic gain on the science portion of  
12 the ~~Arizona~~ instrument to measure standards test.

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

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

19           1. The Arizona measure of academic progress. The department shall  
20 compute the extent of academic progress made by the pupils at each school.

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

32           3. Academic performance and academic gain on the science portion of  
33 the ~~Arizona~~ instrument to measure standards test.

34           4. The annual dropout rate.

35           5. The annual graduation rate.

36           6. The results of English language learners tests administered  
37 pursuant to section 15-756, subsection B, section 15-756.05 and section  
38 15-756.06.

39           F. Schools and school districts that offer instruction in all or a  
40 combination of the grades specified in subsections D and E of this section  
41 shall include a single achievement profile for that school and school  
42 district that includes the school academic performance indicators specified  
43 in subsections D and E of this section.

44           G. Subject to final adoption by the state board of education, the  
45 department shall determine the criteria for each school and school district

1 classification using a research based methodology. The methodology shall  
2 include the performance of pupils at all achievement levels, account for  
3 pupil mobility, account for the distribution of pupil achievement at each  
4 school and school district and include longitudinal indicators of academic  
5 performance. The methodology may include a measure of the perception of  
6 educational quality at the school or school district by parents, pupils,  
7 staff and community stakeholders. Fifty ~~per-cent~~ PERCENT of the school and  
8 school district classification determination shall consist of academic  
9 performance measurements. Fifty ~~per-cent~~ PERCENT of the academic performance  
10 measurement shall consist of a measurement of academic gain for all pupils  
11 enrolled at the school or school district and fifty ~~per-cent~~ PERCENT of the  
12 academic performance measurements shall consist of a measurement of the  
13 twenty-five ~~per-cent~~ PERCENT of pupils with the lowest academic performance  
14 measurement enrolled at the school or school district. For the purposes of  
15 this subsection, "research based methodology" means the systematic and  
16 objective application of statistical and quantitative research principles to  
17 determine a standard measurement of acceptable academic progress for each  
18 school and school district.

19 H. Except as provided in subsection EE of this section, the  
20 achievement profile shall be used to determine a school and school district  
21 classification that uses a letter grade system as follows:

22 1. A school or school district assigned a letter grade of A shall  
23 demonstrate an excellent level of performance.

24 2. A school or school district assigned a letter grade of B shall  
25 demonstrate an above average level of performance.

26 3. A school or school district assigned a letter grade of C shall  
27 demonstrate an average level of performance.

28 4. A school or school district assigned a letter grade of D shall  
29 demonstrate a below average level of performance.

30 5. A school or school district assigned a letter grade of F shall  
31 demonstrate a failing level of performance. The state board of education may  
32 also assign a school a letter grade of F if the state board of education  
33 determines that the school is among the "persistently lowest-achieving  
34 schools" in the state under the federal school accountability requirements  
35 pursuant to section 1003(g) of the elementary and secondary education act (20  
36 United States Code section 6303).

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

40 J. Subject to final adoption by the state board of education, the  
41 department of education shall develop a parallel achievement profile for  
42 accommodation schools, alternative schools as defined by the state board of  
43 education and extremely small schools as defined by the state board of  
44 education for the purposes of this section.

1           K. If a school is assigned a letter grade of D, within ninety days  
2 after receiving notice of the designation, the governing board shall develop  
3 an improvement plan for the school, submit a copy of the plan to the  
4 superintendent of public instruction and the county educational service  
5 agency and supervise the implementation of the plan. The plan shall include  
6 necessary components as identified by the state board of education. Within  
7 thirty days after submitting the improvement plan to the superintendent of  
8 public instruction and the county educational service agency, the governing  
9 board shall hold a special public meeting in each school that has been  
10 assigned a letter grade of D and shall present the respective improvement  
11 plans that have been developed for each school. The school district  
12 governing board, within thirty days of receiving notice of the designation,  
13 shall provide written notification of the classification to each residence  
14 within the attendance area of the school. The notice shall explain the  
15 improvement plan process and provide information regarding the public meeting  
16 required by this subsection.

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

25           M. If a charter school is assigned a letter grade of D, within thirty  
26 days the school shall notify the parents of the students attending the school  
27 of the classification. The notice shall explain the improvement plan process  
28 and provide information regarding the public meeting required by this  
29 subsection. Within ninety days of receiving the classification, the charter  
30 holder shall present an improvement plan to the charter sponsor at a public  
31 meeting and submit a copy of the plan to the superintendent of public  
32 instruction. The improvement plan shall include necessary components as  
33 identified by the state board of education. For every day that an  
34 improvement plan is not received by the superintendent of public instruction  
35 and the county educational service agency, the school is not eligible to  
36 receive monies from the classroom site fund established by section 15-977 for  
37 every day that a plan has not been received by the superintendent of public  
38 instruction within the time specified in subsection K of this section plus an  
39 additional ninety days. The charter holder shall appear before the  
40 sponsoring board and explain why the improvement plan has not been submitted.

41           N. The department of education shall establish an appeals process, to  
42 be approved by the state board of education, for a school to appeal data used  
43 to determine the achievement profile of the school. The criteria established  
44 shall be based on mitigating factors and may include a visit to the school  
45 site by the department of education.

1           O. If a school is assigned a letter grade of D for a third consecutive  
2 year, the department of education shall visit the school site to confirm the  
3 classification data and to review the implementation of the school's  
4 improvement plan. The school shall be assigned a letter grade of F unless an  
5 alternate letter grade is assigned after an appeal pursuant to subsection N  
6 of this section. A school that is assigned a letter grade of D for less than  
7 three consecutive years may also be assigned a letter grade of F if the state  
8 board of education determines that there is no reasonable likelihood that the  
9 school will achieve an average level of performance within the next two  
10 years.

11           P. The school district governing board, within thirty days of  
12 receiving notice of the school being assigned a letter grade of F, shall  
13 provide written notification of the classification to each residence in the  
14 attendance area of the school. The notice shall explain the improvement plan  
15 process and provide information regarding the public meeting required by  
16 subsection S of this section.

17           Q. The superintendent of public instruction in collaboration with the  
18 county educational service agency, based on need, shall assign a solutions  
19 team to a school assigned a letter grade of D, a school assigned a letter  
20 grade of F or any other school pursuant to a mutual agreement between the  
21 department of education and the school composed of master teachers, fiscal  
22 analysts and curriculum assessment experts who are certified by the state  
23 board of education as Arizona academic standards technicians. The department  
24 of education or the county educational service agency may hire or contract  
25 with administrators, principals and teachers who have demonstrated experience  
26 with the characteristics and situations in a school assigned a letter grade  
27 of D or F and may use these personnel as part of the solutions team. The  
28 department of education shall work with staff at the school to assist in  
29 curricula alignment and shall instruct teachers on how to increase pupil  
30 academic progress, considering the school's achievement profile. The  
31 solutions team shall consider the existing improvement plan to assess the  
32 need for changes to curriculum, professional development and resource  
33 allocation and shall present a statement of its findings to the school  
34 administrator and district superintendent. Within forty-five days after the  
35 presentation of the solutions team's statement of findings, the school  
36 district governing board, in cooperation with each school within the school  
37 district that is assigned a letter grade of D and its assigned solutions team  
38 representative, shall develop and submit to the department of education and  
39 the county educational service agency an action plan that details the manner  
40 in which the school district will assist the school as the school  
41 incorporates the findings of the solutions team into the improvement plan.  
42 The department of education shall review the action plan and shall either  
43 accept the action plan or return the action plan to the school district for  
44 modification. If the school district does not submit an approved action plan  
45 within forty-five days, the state board of education may direct the

1 superintendent of public instruction to withhold up to ten ~~per-cent~~ PERCENT  
2 of state monies that the school district would otherwise be entitled to  
3 receive each month until the plan is submitted to the department of education  
4 and the county educational service agency, at which time those monies shall  
5 be returned to the school district.

6 R. The parent or the guardian of the pupil may apply to the department  
7 of education, in a manner determined by the department of education, for a  
8 certificate of supplemental instruction from the failing schools tutoring  
9 fund established by this section. Pupils attending a school assigned a  
10 letter grade of D or F or a pupil who has failed to pass one or more portions  
11 of the ~~Arizona~~ instrument to measure standards test in grades eight through  
12 twelve in order to graduate from high school may select an alternative  
13 tutoring program in academic standards from a provider that is certified by  
14 the state board of education. To qualify, the provider must state in writing  
15 a level of academic improvement for the pupil that includes a timeline for  
16 improvement that is agreed to by the parent or guardian of the pupil. The  
17 state board of education shall annually review academic performance levels  
18 for providers certified pursuant to this subsection and may remove a provider  
19 at a public hearing from an approved list of providers if that provider fails  
20 to meet its stated level of academic improvement. The state board of  
21 education shall determine the application guidelines and the maximum value  
22 for each certificate of supplemental instruction. The state board of  
23 education shall annually complete a market survey in order to determine the  
24 maximum value for each certificate of supplemental instruction. This  
25 subsection shall not be construed to require the state to provide additional  
26 monies beyond the monies provided pursuant to section 42-5029, subsection E,  
27 paragraph 7.

28 S. Within sixty days of receiving notification of a school being  
29 assigned a letter grade of F, the school district governing board shall  
30 evaluate needed changes to the existing improvement plan for the school,  
31 consider recommendations from the solutions team, submit a copy of the plan  
32 to the superintendent of public instruction and the county educational  
33 service agency and supervise the implementation of the plan. Within thirty  
34 days after submitting the improvement plan to the superintendent of public  
35 instruction, the governing board shall hold a public meeting in each school  
36 that has been assigned a letter grade of F and shall present the respective  
37 improvement plans that have been developed for each school.

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

1 U. If a charter school is assigned a letter grade of F, the department  
2 of education shall immediately notify the charter school's sponsor. The  
3 charter school's sponsor shall either take action to restore the charter  
4 school to acceptable performance or revoke the charter school's charter.  
5 Within thirty days the school shall notify the parents of the students  
6 attending the school of the classification and of any pending public meetings  
7 to review the issue.

8 V. A school that has been assigned a letter grade of F shall be  
9 evaluated by the department of education to determine if the school failed to  
10 properly implement its school improvement plan, align the curriculum with  
11 academic standards, provide teacher training, prioritize the budget or  
12 implement other proven strategies to improve academic performance. After  
13 visiting the school site pursuant to subsection O of this section, the  
14 department of education shall submit to the state board of education a  
15 recommendation to proceed pursuant to subsections Q, R and S of this section  
16 or that the school be subject to a public hearing to determine if the school  
17 failed to properly implement its improvement plan and the reasons for the  
18 department's recommendation.

19 W. If the department does recommend a public hearing, the state board  
20 of education shall meet and may provide by a majority vote at the public  
21 hearing for the continued operation of the school as allowed by this  
22 subsection. The state board of education shall determine whether  
23 governmental, nonprofit and private organizations may submit applications to  
24 the state board to fully or partially manage the school. The state board's  
25 determination shall include:

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

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

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

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

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

34 X. The state board shall periodically review the status of a school  
35 that is operated by an organization other than the school district governing  
36 board to determine whether the operation of the school should be returned to  
37 the school district governing board. Before the state board makes a  
38 determination, the state board or its designee shall meet with the school  
39 district governing board or its designee to determine the time frame,  
40 operational considerations and the appropriate continuation of existing  
41 improvements that are necessary to assure a smooth transition of authority  
42 from the other organization back to the school district governing board.

43 Y. If an alternative operation plan is provided pursuant to subsection  
44 W of this section, the state board of education shall pay for the operation  
45 of the school and shall adjust the school district's district additional

1 assistance pursuant to section 15-961, base support level pursuant to section  
2 15-943, monies distributed from the classroom site fund established by  
3 section 15-977 and transportation support level pursuant to section 15-945 to  
4 accurately reflect any reduction in district services that are no longer  
5 provided to that school by the district. The state board of education may  
6 modify the school district's revenue control limit, the district support  
7 level and the general budget limit calculated pursuant to section 15-947 by  
8 an amount that corresponds to this reduction in services. The state board of  
9 education shall retain the portion of state aid that would otherwise be due  
10 the school district for the school and shall distribute that portion of state  
11 aid directly to the organization that contracts with the state board of  
12 education to operate the school.

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

16 AA. If there are more than two schools in a district and more than  
17 one-half, or in any case more than five, of the schools in the district are  
18 assigned a letter grade of F for more than two consecutive years, in the next  
19 election of members of the governing board the election ballot shall contain  
20 the following statement immediately above the listing of governing board  
21 candidates:

22 Within the last five years, (number of schools) schools in the  
23 \_\_\_\_\_ school district have been assigned a letter grade of F  
24 or designated as "schools failing to meet academic standards" by  
25 the superintendent of public instruction.

26 BB. At least twice each year the department of education shall publish  
27 in a newspaper of general circulation in each county of this state a list of  
28 schools that are assigned a letter grade of F.

29 CC. The failing schools tutoring fund is established consisting of  
30 monies collected pursuant to section 42-5029, subsection E as designated for  
31 this purpose. The department of education shall administer the fund. The  
32 department of education may use monies from the fund to purchase materials  
33 designed to assist students to meet the Arizona academic standards and to  
34 achieve a passing score on the ~~Arizona~~ instrument to measure standards test  
35 in order to graduate from high school.

36 DD. The department of education may develop a classification label for  
37 school districts and charter school operators. If the department of  
38 education develops a classification label for school districts and charter  
39 school operators, the classification label may be developed from the  
40 following components:

- 41 1. Measures of academic progress.
- 42 2. Pupil assessment data.
- 43 3. The attendance rates and graduation rates of pupils who are  
44 educated in that charter school operator's charter schools or in that school  
45 district's schools.

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

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

9 FF. The state board of education shall adopt guidelines to include  
10 supplementary training in reading instruction for teachers who provide  
11 instruction to pupils in a kindergarten program or grade one, two or three in  
12 an improvement plan pursuant to subsection K of this section.

13 GG. In addition to any other corrective procedures prescribed in this  
14 section and section 15-241.01, a school that has been assigned a letter grade  
15 of D or F for two consecutive years shall implement a science, technology,  
16 engineering and mathematics intervention strategy under the supervision of  
17 the state board of education.

18 HH. In addition to any other corrective procedures prescribed in this  
19 section a school district that has been assigned a letter grade of D or F for  
20 two consecutive years shall implement a parent involvement strategy. The  
21 parent involvement strategy shall be included in the school improvement plan  
22 for each applicable school within the district, as prescribed in subsection K  
23 of this section.

24 II. The department of education shall publish criteria for a school or  
25 school district's exit status from a previous assignment of a letter grade of  
26 F in accordance with this section. The criteria shall prescribe the actions  
27 and results necessary to be deemed to have complied with this section  
28 regarding school improvement, including the proper implementation of a school  
29 improvement plan pursuant to subsection V of this section. These criteria  
30 shall be provided to a school or school district if it is assigned a letter  
31 grade of F pursuant to this section.

32 Sec. 5. Section 15-701, Arizona Revised Statutes, is amended to read:

33 15-701. Common school; promotions; requirements; certificate;  
34 supervision of eighth grades by superintendent of  
35 high school district; high school admissions;  
36 academic credit

37 A. ~~The state board of education~~ EACH SCHOOL DISTRICT GOVERNING BOARD  
38 AND EACH CHARTER SCHOOL GOVERNING BODY shall:

39 1. Prescribe a minimum course of study, ~~as defined in section 15-101~~  
40 and incorporating the academic standards adopted by the ~~state board of~~  
41 ~~education~~ SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY,  
42 to be taught in the common schools.

43 2. SUBMIT ITS ADOPTED ACADEMIC STANDARDS TO THE SUPERINTENDENT OF  
44 PUBLIC INSTRUCTION FOR APPROVAL. THE SUPERINTENDENT SHALL APPROVE THE  
45 ACADEMIC STANDARDS IF THE SUPERINTENDENT DETERMINES THAT THE ACADEMIC

1 STANDARDS MEET OR EXCEED THE STANDARDS ADOPTED BY THE STATE BOARD OF  
2 EDUCATION FOR USE DURING OR AFTER THE 1998-1999 SCHOOL YEAR.

3 3. ENSURE THAT ITS ADOPTED ACADEMIC STANDARDS MEET OR EXCEED THE  
4 STANDARDS ADOPTED BY THE STATE BOARD OF EDUCATION FOR USE DURING OR AFTER THE  
5 1998-1999 SCHOOL YEAR.

6 ~~2.~~ 4. Prescribe competency requirements for the promotion of pupils  
7 from the eighth grade and competency requirements for the promotion of pupils  
8 from the third grade incorporating the academic standards in at least the  
9 areas of reading, writing, mathematics, science and social studies.  
10 Notwithstanding section 15-521, paragraph 4, the competency requirements for  
11 the promotion of pupils from the third grade shall include the following:

12 (a) A requirement that a pupil not be promoted from the third grade if  
13 the pupil obtains a score on the reading portion of the ~~Arizona~~ instrument to  
14 measure standards test, ~~or a successor test,~~ ADOPTED BY THE SCHOOL DISTRICT  
15 GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY that demonstrates that the  
16 pupil's reading falls far below the third grade level or the equivalent as  
17 established by the board. A pupil may not be retained if data regarding the  
18 pupil's performance on the ~~Arizona~~ instrument to measure standards test, or a  
19 successor test, is not available before the start of the following academic  
20 year. A pupil who is not retained due to the unavailability of test data  
21 must receive intervention and remedial strategies pursuant to subdivision (c)  
22 of this paragraph if the third grade assessment data subsequently  
23 demonstrates that the pupil's reading ability falls far below the third grade  
24 level or the equivalent.

25 (b) A mechanism to allow a school district governing board or the  
26 governing body of a charter school to promote a pupil from the third grade  
27 who obtains a score on the reading portion of the ~~Arizona~~ instrument to  
28 measure standards test, or a successor test, that demonstrates that the  
29 pupil's reading falls far below the third grade level for any of the  
30 following:

31 (i) A good cause exemption if the pupil is an English learner or a  
32 limited English proficient student as defined in section 15-751 and has had  
33 fewer than two years of English language instruction.

34 (ii) A pupil who is a child with a disability as defined in section  
35 15-761 if the pupil's individualized education program team and the pupil's  
36 parent or guardian agree that promotion is appropriate based on the pupil's  
37 individualized education program.

38 (c) Intervention and remedial strategies developed by the state board  
39 of education for pupils who are not promoted from the third grade. A school  
40 district governing board or the governing body of a charter school shall  
41 offer at least one of the intervention and remedial strategies developed by  
42 the state board of education. The parent or guardian of a pupil who is not  
43 promoted from the third grade and the pupil's teacher and principal may  
44 choose the most appropriate intervention and remedial strategies that will be

1 provided to that pupil. The intervention and remedial strategies developed  
2 by the state board of education shall include:

3 (i) A requirement that the pupil be assigned to a different teacher  
4 for reading instruction.

5 (ii) Summer school reading instruction.

6 (iii) In the next academic year, intensive reading instruction that  
7 occurs before, during or after the regular school day, or any combination of  
8 before, during and after the regular school day.

9 (iv) Online reading instruction.

10 **B. THE STATE BOARD OF EDUCATION SHALL:**

11 ~~3-~~ 1. Provide for universal screening of pupils in preschool  
12 programs, kindergarten programs and grades one through three that is designed  
13 to identify pupils who have reading deficiencies pursuant to section 15-704.

14 ~~4-~~ 2. Develop intervention and remedial strategies pursuant to  
15 **SUBSECTION A**, paragraph ~~2- 4~~, subdivision (c) of this ~~subsection~~ **SECTION** for  
16 pupils in kindergarten programs and grades one through three who are  
17 identified as having reading deficiencies pursuant to section 15-704.

18 ~~5-~~ 3. Distribute guidelines for the school districts to follow in  
19 prescribing criteria for the promotion of pupils from grade to grade in the  
20 common schools. These guidelines shall include recommended procedures for  
21 ensuring that the cultural background of a pupil is taken into consideration  
22 when criteria for promotion are being applied.

23 ~~B-~~ C. School districts and charter schools shall provide annual  
24 written notification to parents of pupils in kindergarten programs and first,  
25 second and third grades that a pupil who obtains a score on the reading  
26 portion of the ~~Arizona~~ instrument to measure standards test, ~~or a successor~~  
27 ~~test~~, **ADOPTED BY THE SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL**  
28 **GOVERNING BODY** that demonstrates the pupil is reading far below the third  
29 grade level will not be promoted from the third grade. If the school has  
30 determined that the pupil is substantially deficient in reading before the  
31 end of grade three, the school district or charter school shall provide to  
32 the parent of that pupil a separate written notification of the reading  
33 deficiency that includes the following information:

34 1. A description of the current reading services provided to the  
35 pupil.

36 2. A description of the available supplemental instructional services  
37 and supporting programs that are designed to remediate reading deficiencies.  
38 Each school district or charter school shall offer at least one intervention  
39 strategy and at least one remedial strategy for pupils with reading  
40 deficiencies. The notification shall list the intervention and remedial  
41 strategies offered and shall instruct the parent or guardian to choose the  
42 strategy that will be implemented for that child.

43 3. Parental strategies to assist the pupil to attain reading  
44 proficiency.

1           4. A statement that the pupil will not be promoted from the third  
2 grade if the pupil obtains a score on the reading portion of the ~~Arizona~~  
3 instrument to measure standards test, ~~or a successor test,~~ **ADOPTED BY THE**  
4 **SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY** that  
5 demonstrates the pupil is reading far below the third grade level, unless the  
6 pupil is exempt from mandatory retention in grade three or the pupil  
7 qualifies for an exemption pursuant to subsection A of this section.

8           5. A description of the school district or charter school policies on  
9 midyear promotion to a higher grade.

10         ~~C.~~ D. Pursuant to the guidelines that the state board of education  
11 distributes, the governing board of a school district shall:

12           1. Prescribe curricula that include the academic standards in the  
13 required subject areas pursuant to subsection A, paragraph 1 of this section.

14           2. Prescribe criteria for the promotion of pupils from grade to grade  
15 in the common schools in the school district. These criteria shall include  
16 accomplishment of the academic standards in at least reading, writing,  
17 mathematics, science and social studies, as determined by district  
18 assessment. Other criteria may include additional measures of academic  
19 achievement and attendance.

20         ~~D. The governing board may prescribe the course of study and~~  
21 ~~competency requirements for promotion that are in addition to or higher than~~  
22 ~~the course of study and competency requirements the state board prescribes.~~

23           E. A teacher shall determine whether to promote or retain a pupil in  
24 grade in a common school as provided in section 15-521, paragraph 4 on the  
25 basis of the prescribed criteria. The governing board, if it reviews the  
26 decision of a teacher to promote or retain a pupil in grade in a common  
27 school as provided in section 15-342, paragraph 11, shall base its decision  
28 on the prescribed criteria.

29           F. A governing board may provide and issue certificates of promotion  
30 to pupils whom it promotes from the eighth grade of a common school. Such  
31 certificates shall be signed by the principal or superintendent of schools.  
32 Where there is no principal or superintendent of schools, the certificates  
33 shall be signed by the teacher of an eighth grade. The certificates shall  
34 admit the holders to any high school in the state.

35           G. Within any high school district or union high school district, the  
36 superintendent of the high school district shall supervise the work of the  
37 eighth grade of all schools employing no superintendent or principal.

38           H. A school district shall not deny a pupil who is between the ages of  
39 sixteen and twenty-one years admission to a high school because the pupil  
40 does not hold an eighth grade certificate. Governing boards shall establish  
41 procedures for determining the admissibility of pupils who are under sixteen  
42 years of age and who do not hold eighth grade certificates.

43           I. The state board of education shall adopt rules to allow common  
44 school pupils who can demonstrate competency in a particular academic course

1 or subject to obtain academic credit for the course or subject without  
2 enrolling in the course or subject.

3 J. A school district may conduct a ceremony to honor pupils who have  
4 been promoted from the eighth grade.

5 Sec. 6. Section 15-701.01, Arizona Revised Statutes, is amended to  
6 read:

7 15-701.01. High school; graduation; requirements; community  
8 college or university courses; transfer from  
9 private schools; academic credit

10 A. ~~The state board of education~~ EACH SCHOOL DISTRICT GOVERNING BOARD  
11 AND EACH CHARTER SCHOOL GOVERNING BODY shall:

12 1. Prescribe a minimum course of study, ~~as defined in section 15-101~~  
13 and incorporating the academic standards adopted by the ~~state board of~~  
14 ~~education~~ SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY,  
15 for the graduation of pupils from high school.

16 2. SUBMIT ITS ADOPTED ACADEMIC STANDARDS TO THE SUPERINTENDENT OF  
17 PUBLIC INSTRUCTION FOR APPROVAL. THE SUPERINTENDENT SHALL APPROVE THE  
18 ACADEMIC STANDARDS IF THE SUPERINTENDENT DETERMINES THAT THE ACADEMIC  
19 STANDARDS MEET OR EXCEED THE STANDARDS ADOPTED BY THE STATE BOARD OF  
20 EDUCATION FOR USE DURING OR AFTER THE 1998-1999 SCHOOL YEAR.

21 3. ENSURE THAT ITS ADOPTED ACADEMIC STANDARDS MEET OR EXCEED THE  
22 STANDARDS ADOPTED BY THE STATE BOARD OF EDUCATION FOR USE DURING OR AFTER THE  
23 1998-1999 SCHOOL YEAR.

24 ~~2-~~ 4. Prescribe competency requirements for the graduation of pupils  
25 from high school incorporating the academic standards in at least the areas  
26 of reading, writing, mathematics, science and social studies. The academic  
27 standards prescribed by the ~~state board of education~~ SCHOOL DISTRICT  
28 GOVERNING BOARD AND CHARTER SCHOOL GOVERNING BODY in social studies shall  
29 include personal finance. This paragraph does not allow ~~the state board of~~  
30 ~~education~~ A SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY  
31 to establish a required separate personal finance course for the purpose of  
32 the graduation of pupils from high school.

33 ~~3-~~ 5. Develop and adopt competency tests pursuant to section 15-741.  
34 English language learners who are subject to article 3.1 of this chapter are  
35 subject to the assessments prescribed in section 15-741.

36 B. The governing board of a school district shall:

37 1. Prescribe curricula that include the academic standards in the  
38 required subject areas pursuant to subsection A, paragraph 1 of this section.

39 2. Prescribe criteria for the graduation of pupils from the high  
40 schools in the school district. These criteria shall include accomplishment  
41 of the academic standards in at least reading, writing, mathematics, science  
42 and social studies, as determined by district assessment. Other criteria may  
43 include additional measures of academic achievement and attendance. Pursuant  
44 to the prescribed graduation requirements adopted by the state board of  
45 education, the governing board may approve a rigorous computer science course

1 that would fulfill a mathematics course required for graduation from high  
2 school. The governing board may approve a rigorous computer science course  
3 only if the rigorous computer science course includes significant mathematics  
4 content and the governing board determines the high school where the rigorous  
5 computer science course is offered has sufficient capacity, infrastructure  
6 and qualified staff, including competent teachers of computer science.

7 ~~C. The governing board may prescribe the course of study and~~  
8 ~~competency requirements for the graduation of pupils from high school that~~  
9 ~~are in addition to or higher than the course of study and competency~~  
10 ~~requirements that the state board prescribes.~~

11 ~~D.~~ C. The governing board may prescribe competency requirements for  
12 the passage of pupils in courses that are required for graduation from high  
13 school.

14 ~~E.~~ D. A teacher shall determine whether to pass or fail a pupil in a  
15 course in high school as provided in section 15-521, paragraph 4 on the basis  
16 of the competency requirements, if any have been prescribed. The governing  
17 board, if it reviews the decision of a teacher to pass or fail a pupil in a  
18 course in high school as provided in section 15-342, paragraph 11, shall base  
19 its decision on the competency requirements, if any have been prescribed.

20 ~~F.~~ E. Graduation requirements established by the governing board may  
21 be met by a pupil who passes courses in the required or elective subjects at  
22 a community college or university, if the course is at a higher level than  
23 the course taught in the high school attended by the pupil or, if the course  
24 is not taught in the high school, the level of the course is equal to or  
25 higher than the level of a high school course. The governing board shall  
26 determine if the subject matter of the community college or university course  
27 is appropriate to the specific requirement the pupil intends it to fulfill  
28 and if the level of the community college or university course is less than,  
29 equal to or higher than a high school course, and the governing board shall  
30 award one-half of a carnegie unit for each three semester hours of credit the  
31 pupil earns in an appropriate community college or university course. If a  
32 pupil is not satisfied with the decision of the governing board regarding the  
33 amount of credit granted or the subjects for which credit is granted, the  
34 pupil may request that the ~~state board of education~~ SUPERINTENDENT OF PUBLIC  
35 INSTRUCTION review the decision of the governing board, and the ~~state board~~  
36 SUPERINTENDENT shall make the final determination of the amount of credit to  
37 be given the pupil and for which subjects. The governing board shall not  
38 limit the number of credits that is required for high school graduation and  
39 that may be met by taking community college or university courses. For the  
40 purposes of this subsection:

41 1. "Community college" means an educational institution that is  
42 operated by a community college district as defined in section 15-1401 or a  
43 postsecondary educational institution under the jurisdiction of an Indian  
44 tribe recognized by the United States department of the interior.

1           2. "University" means a university under the jurisdiction of the  
2 Arizona board of regents.

3           ~~G.~~ F. A pupil who transfers from a private school shall be provided  
4 with a list that indicates those credits that have been accepted and denied  
5 by the school district. A pupil may request to take an examination in each  
6 particular course in which credit has been denied. The school district shall  
7 accept the credit for each particular course in which the pupil takes an  
8 examination and receives a passing score on a test designed and evaluated by  
9 a teacher in the school district who teaches the subject matter on which the  
10 examination is based. In addition to the above requirements, the governing  
11 board of a school district may prescribe requirements for the acceptance of  
12 the credits of pupils who transfer from a private school.

13           ~~H.~~ G. If a pupil who was previously enrolled in a charter school or  
14 school district enrolls in a school district in this state, the school  
15 district shall accept credits earned by the pupil in courses or instructional  
16 programs at the charter school or school district. The governing board of a  
17 school district may adopt a policy concerning the application of transfer  
18 credits for the purpose of determining whether a credit earned by a pupil who  
19 was previously enrolled in a school district or charter school will be  
20 assigned as an elective or core credit.

21           ~~I.~~ H. A pupil who transfers from a charter school or school district  
22 shall be provided with a list that indicates which credits have been accepted  
23 as an elective credit and which credits have been accepted as a core credit  
24 by the school district. Within ten school days after receiving the list, a  
25 pupil may request to take an examination in each particular course in which  
26 core credit has been denied. The school district shall accept the credit as  
27 a core credit for each particular course in which the pupil takes an  
28 examination and receives a passing score on a test designed and evaluated by  
29 a teacher in the school district who teaches the subject matter on which the  
30 examination is based.

31           ~~J.~~ I. The state board of education shall adopt rules to allow high  
32 school pupils who can demonstrate competency in a particular academic course  
33 or subject to obtain academic credit for the course or subject without  
34 enrolling in the course or subject.

35           ~~K.~~ J. Pupils who earn a Grand Canyon diploma pursuant to article 6 of  
36 this chapter are exempt from the graduation requirements prescribed in this  
37 section. Pupils who earn a Grand Canyon diploma are entitled to all the  
38 rights and privileges of persons who graduate with a high school diploma  
39 issued pursuant to this section, including access to postsecondary  
40 scholarships and other forms of student financial aid and access to all forms  
41 of postsecondary education. Notwithstanding any other law, a pupil who is  
42 eligible for a Grand Canyon diploma may elect to remain in high school  
43 through grade twelve and shall not be prevented from enrolling at a high  
44 school after the pupil becomes eligible for a Grand Canyon diploma. A pupil  
45 who is eligible for a Grand Canyon diploma and who elects not to pursue one

1 of the options prescribed in section 15-792.03 may only be readmitted to that  
2 high school or another high school in this state pursuant to policies adopted  
3 by the school district of readmission.

4 Sec. 7. Section 15-702, Arizona Revised Statutes, is amended to read:

5 15-702. High school equivalency diploma; fees; rules

6 A. Any person who is sixteen years of age or older and who passes an  
7 equivalency test adopted by the state board of education shall be awarded an  
8 Arizona high school equivalency diploma by the state board of education and  
9 the state superintendent of public instruction. The state board of education  
10 may establish eligibility requirements for persons wishing to take an  
11 equivalency test adopted by the state board of education, except that the  
12 minimum age required to take the test may not be older than sixteen nor shall  
13 the board require the completion of any high school credits.

14 B. A person who meets the minimum course of study and competency  
15 requirements prescribed by the state board of education for graduation from  
16 high school through a combination of high school credits and community  
17 college and university credits, which are converted to high school credits in  
18 the same manner as provided in section 15-701.01, subsection ~~F~~ E by the  
19 governing board or the state board of education, shall be awarded an Arizona  
20 high school equivalency diploma.

21 C. The state board of education may establish and collect fees for the  
22 issuance and reissuance of the following:

- 23 1. A high school equivalency diploma.
- 24 2. A high school equivalency transcript.

25 D. The state board of education shall adopt rules for fee waivers for  
26 the high school equivalency diploma and high school equivalency transcripts.

27 Sec. 8. Section 15-704, Arizona Revised Statutes, is amended to read:

28 15-704. Reading proficiency; definitions

29 A. Each school district or charter school that provides instruction in  
30 kindergarten programs and grades one through three shall select and  
31 administer screening, ongoing diagnostic and classroom based instructional  
32 reading assessments, including a motivational assessment, as defined by the  
33 state board of education, to monitor student progress. Each school shall use  
34 the diagnostic information to plan appropriate and effective intervention.

35 B. Each school district or charter school that provides instruction  
36 for pupils in kindergarten programs and grades one through three shall  
37 conduct a curriculum evaluation and adopt a scientifically based reading  
38 curriculum that includes the essential components of reading instruction.  
39 All school districts and charter schools that offer instruction in  
40 kindergarten programs and grades one through three shall provide ongoing  
41 teacher training based on scientifically based reading research.

42 C. Each school district or charter school that provides instruction in  
43 kindergarten programs and grades one through three shall devote reasonable  
44 amounts of time to explicit instruction and independent reading in grades one  
45 through three.

1 D. A pupil in grade three who does not meet or exceed the reading  
2 standards measured by the ~~Arizona~~ instrument to measure standards test  
3 administered pursuant to section 15-741 shall be provided intensive reading  
4 instruction as defined by the state board of education until the pupil meets  
5 these standards.

6 E. The governing board of each school district and the governing body  
7 of each charter school shall determine the percentage of pupils at each  
8 school in grade three who do not meet the reading standards prescribed by the  
9 state board of education and measured by the ~~Arizona~~ instrument to measure  
10 standards test administered pursuant to section 15-741. If more than twenty  
11 ~~per-cent~~ PERCENT of students in grade three at either the individual school  
12 level or at the school district level do not meet the standards, the  
13 governing board or governing body shall conduct a review of its reading  
14 program that includes curriculum and professional development in light of  
15 current, scientifically based reading research.

16 F. Based on the review required in subsection E of this section, the  
17 governing board or governing body and the school principal of each school  
18 that does not meet the reading standards, in conjunction with school council  
19 members, if applicable, shall develop methods of best practices for teaching  
20 reading based on essential components of reading instruction and supported by  
21 scientifically based reading research. These methods shall be adopted at a  
22 public meeting and shall be implemented the following academic year.

23 G. Subsections E and F of this section shall be coordinated with  
24 efforts to develop and implement an improvement plan if required pursuant to  
25 section 15-241.

26 H. For the purposes of this section:

27 1. "Essential components of reading instruction" means explicit and  
28 systematic instruction in the following:

- 29 (a) Phonemic awareness.
- 30 (b) Phonics.
- 31 (c) Vocabulary development.
- 32 (d) Reading fluency.
- 33 (e) Reading comprehension.

34 2. "Reading" means a complex system of deriving meaning from print  
35 that requires all of the following:

- 36 (a) The skills and knowledge to understand how phonemes or speech  
37 sounds are connected to print.
- 38 (b) The ability to decode unfamiliar words.
- 39 (c) The ability to read fluently.
- 40 (d) Sufficient background information and vocabulary to foster reading  
41 comprehension.
- 42 (e) The development of appropriate active strategies to construct  
43 meaning from print.
- 44 (f) The development and maintenance of a motivation to read.



1 comparison of the annual academic achievement of pupils in the grant  
2 recipient's mathematics or science achievement program to pupils in  
3 comparable schools that are not in the mathematics or science achievement  
4 program.

5 D. The mathematics or science achievement program fund is established  
6 consisting of monies appropriated for this purpose. The state board of  
7 education shall administer the fund. Monies in the fund are exempt from the  
8 provisions of section 35-190 relating to lapsing of appropriations. The  
9 state board of education may retain up to five ~~per cent~~ PERCENT of the monies  
10 appropriated to the state board for the purposes of this section for costs  
11 associated with administering the mathematics or science achievement grant  
12 program.

13 E. The program established by this section ends on July 1, 2017  
14 pursuant to section 41-3102.

15 Sec. 10. Section 15-741, Arizona Revised Statutes, is amended to read:

16 15-741. Assessment of pupils

17 A. The state board of education shall ~~+~~  
18 ~~+~~ adopt rules for purposes of this article pursuant to title 41,  
19 chapter 6.

20 B. EACH SCHOOL DISTRICT GOVERNING BOARD AND CHARTER SCHOOL GOVERNING  
21 BODY SHALL:

22 ~~2-~~ 1. Adopt and implement an ~~Arizona~~ instrument to measure standards  
23 test to measure pupil achievement of the ~~state board adopted~~ academic  
24 standards ADOPTED BY THE SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL  
25 GOVERNING BODY in reading, writing and mathematics in at least four grades  
26 designated by the SCHOOL DISTRICT GOVERNING board OR CHARTER SCHOOL GOVERNING  
27 BODY. The ~~board~~ SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING  
28 BODY shall determine the manner of implementation. ~~The board~~ EACH SCHOOL  
29 DISTRICT GOVERNING BOARD AND CHARTER SCHOOL GOVERNING BODY may administer  
30 assessments of the academic standards in social studies and science, except  
31 that a pupil shall not be required to meet or exceed the social studies or  
32 science standards measured by the ~~Arizona~~ instrument to measure standards  
33 test ADOPTED BY THE SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL  
34 GOVERNING BODY.

35 2. PARTICIPATE IN OTHER ASSESSMENTS THAT PROVIDE NATIONAL COMPARISONS  
36 AS NEEDED.

37 C. THE DEPARTMENT OF EDUCATION SHALL:

38 ~~3-~~ 1. Ensure that the tests prescribed in this section are uniform  
39 COMPARABLE BY DEVELOPING MECHANISMS TO COMPARE THE ACADEMIC PERFORMANCE OF  
40 PUPILS WHO ARE ENROLLED IN SCHOOL DISTRICTS AND CHARTER SCHOOLS throughout  
41 the state.

42 ~~4-~~ 2. Ensure that the tests prescribed in this section are able to be  
43 scored in an objective manner and that the tests are not intended to advocate  
44 any sectarian, partisan or denominational viewpoint.

1           3. POST ON THE DEPARTMENT'S WEBSITE A LIST CONTAINING AT LEAST FOUR  
2           NATIONALLY STANDARDIZED NORM-REFERENCED ACHIEVEMENT TESTS THAT SCHOOL  
3           DISTRICT GOVERNING BOARDS OR CHARTER SCHOOL GOVERNING BODIES MAY ADOPT AS AN  
4           INSTRUMENT TO MEASURE STANDARDS TEST REQUIRED PURSUANT TO SUBSECTION B OF  
5           THIS SECTION.

6           ~~5-~~ 4. Include within its budget all costs pertaining to the tests  
7           prescribed in this article. If sufficient monies are appropriated, the ~~state~~  
8           ~~board~~ DEPARTMENT OF EDUCATION may provide achievement test services to school  
9           districts that request assistance in testing pupils in grades additional to  
10          those required by this section.

11          ~~6-~~ 5. Survey teachers, principals and superintendents on  
12          achievement-related nontest indicators, including information on graduation  
13          rates by ethnicity and dropout rates by ethnicity for each grade level.  
14          Before the survey, the ~~state board~~ DEPARTMENT of education shall approve at a  
15          public meeting the nontest indicators on which data will be collected. In  
16          conducting the survey and collecting data, the ~~state-board~~ DEPARTMENT of  
17          education shall not violate the provisions of the family educational rights  
18          and privacy act (P.L. 93-380), as amended, nor disclose personally  
19          identifiable information.

20          ~~7-~~ 6. Establish a fair and consistent method and standard by which  
21          test scores from schools in a district may be evaluated taking into  
22          consideration demographic data. The ~~board~~ DEPARTMENT OF EDUCATION shall  
23          establish intervention strategies to assist schools with scores below the  
24          acceptable standard. The ~~board~~ DEPARTMENT shall annually review district and  
25          school scores and shall offer assistance to school districts in analyzing  
26          data and implementing intervention strategies. The ~~board~~ DEPARTMENT shall  
27          use the adopted test and methods of data evaluation for a period of at least  
28          ten years.

29          ~~8. Participate in other assessments that provide national comparisons~~  
30          ~~as needed.~~

31          ~~B-~~ D. The achievement tests adopted by ~~the state board~~ EACH SCHOOL  
32          DISTRICT GOVERNING BOARD AND EACH CHARTER SCHOOL GOVERNING BODY as provided  
33          in subsection ~~A- B~~ of this section shall be given at least annually. Nontest  
34          indicator data and other information shall be collected at the same time as  
35          the collection of achievement test data.

36          ~~C-~~ E. Local school district governing boards AND CHARTER SCHOOL  
37          GOVERNING BODIES shall:

- 38           1. Administer the tests prescribed in subsection ~~A- B~~ of this section.
- 39           2. Survey teachers, principals and superintendents on achievement  
40           related nontest indicator data as required by the ~~state-board~~ DEPARTMENT OF  
41           EDUCATION, including information related to district graduation and dropout  
42           rates. In conducting the survey and collecting data, the governing board  
43           shall not violate the provisions of the family educational rights and privacy  
44           act (P.L. 93-380), as amended, nor disclose personally identifiable  
45           information.

1           ~~D.~~ F. Any additional assessments for high school pupils that are  
2 adopted by ~~the state board of education after November 24, 2009~~ A SCHOOL  
3 DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY shall be designed  
4 to measure college and career readiness of pupils.

5           ~~E.~~ G. A test for penmanship shall not be required pursuant to this  
6 article.

7           Sec. 11. Section 15-743, Arizona Revised Statutes, is amended to read:  
8 15-743. Test results; annual report

9           A. The state board of education shall provide annual reports for every  
10 school and district and the state as a whole. The state board shall annually  
11 submit these reports to school districts, the legislature and the county  
12 school superintendents and shall make them available to the public. The  
13 state board shall publish and distribute the reports by September 1 and shall  
14 also provide a cumulative summary of the reports every five years. The  
15 annual reports and cumulative summary results shall include:

16           1. Average and range scores on the ~~Arizona~~ instrument to measure  
17 standards test.

18           2. Standardized test scores by subject area according to percentiles  
19 and stanines for the school, school district, county, state and nation.

20           3. Achievement related nontest indicator data collected in the survey  
21 of teachers, principals and superintendents as required by section 15-741,  
22 including information related to dropout rates by ethnicity for each grade  
23 level and graduation rates and postsecondary employment and education by  
24 ethnicity. In reporting such data, the state board of education shall not  
25 violate the provisions of the family educational rights and privacy act  
26 (P.L. 93-380), as amended, nor disclose personally identifiable information.

27           4. The numbers of pupils who have completed the academic standards at  
28 grades three, eight and twelve.

29           B. Test results on individual pupils shall not be made available to  
30 the public by name or individually identifiable reference.

31           C. The state board shall provide a copy of the results from the tests  
32 prescribed in section 15-741, subsection ~~A~~ B for each school district to  
33 that school district. No results may be released to the public until ten  
34 days after the reports are provided to each school district.

35           D. The state board shall provide each school district participating in  
36 the testing program with a copy of each pupil's standardized norm-referenced  
37 test scores in reading, language arts and mathematics, and the associated  
38 grade equivalents, percentiles and stanines for the school, school district,  
39 county, state and nation, a report of pupil progress on an ongoing and annual  
40 basis, showing the trends in gain or loss in pupil achievement over time in  
41 reading, language arts and mathematics for all years in which pupils are  
42 enrolled in the school district for an entire school year and for which this  
43 information is available and a report of the pupil progress for pupils not  
44 enrolled in a district for an entire school year. The state board shall also  
45 provide each school district with each pupil's ~~Arizona~~ instrument to measure

1 standards test scores and the ~~Arizona~~ instrument to measure standards test  
2 scores for the school, district, county and state.

3 E. The school district shall provide a parent or guardian of each  
4 pupil participating in the standardized norm-referenced testing part of the  
5 program with a copy of the pupil's score in reading, language arts and  
6 mathematics, and the percentiles and stanines. The school district shall  
7 provide a parent or guardian of each pupil with a copy of the pupil's scores  
8 on the ~~Arizona~~ instrument to measure standards test and the associated scores  
9 for the school, district, county and state. The school district shall make  
10 available to the public through the reports those scores for each school in  
11 the district and for the school district, county, state and nation.

12 F. Each pupil's ~~Arizona~~ instrument to measure standards test results  
13 for grade twelve shall be recorded on the pupil's high school transcript.  
14 The state board of education shall prescribe the format for recording ~~Arizona~~  
15 instrument to measure standards test results on high school transcripts.

16 Sec. 12. Section 15-746, Arizona Revised Statutes, is amended to read:  
17 15-746. School report cards

18 A. Each school shall distribute an annual report card that contains at  
19 least the following information:

20 1. A description of the school's regular, magnet and special  
21 instructional programs.

22 2. A description of the current academic goals of the school.

23 3. A summary of the results achieved by pupils enrolled at the school  
24 during the prior three school years as measured by the ~~Arizona~~ instrument to  
25 measure standards test and the nationally standardized norm-referenced  
26 achievement test as designated by the state board and as reported in the  
27 annual report prescribed by section 15-743, a summary of the pupil progress  
28 on an ongoing and annual basis, showing the trends in gain or loss in pupil  
29 achievement over time in reading, language arts and mathematics for all years  
30 in which pupils are enrolled in the school district for an entire school year  
31 and for which this information is available and a summary of the pupil  
32 progress for pupils not enrolled in a district for an entire school year.

33 4. The school's current expenditures per pupil for classroom supplies,  
34 classroom instruction excluding classroom supplies, administration, support  
35 services-students, and all other support services and operations. The  
36 current expenditures per pupil by school shall include allocation of the  
37 district-wide expenditures to each school, as provided by the district. The  
38 report shall include a comparison of the school to the state amount for a  
39 similar type of district as calculated in section 15-255. The method of  
40 calculating these per pupil amounts and the allocation of expenditures shall  
41 be as prescribed in the uniform system of financial records.

42 5. The attendance rate of pupils enrolled at the school as reflected  
43 in the school's average daily membership as defined in section 15-901.

44 6. The total number of incidents that occurred on the school grounds,  
45 at school bus stops, on school buses and at school-sponsored events and that

1 required the contact of a local, county, tribal, state or federal law  
2 enforcement officer pursuant to section 13-3411, subsection F, section  
3 13-3620, section 15-341, subsection A, paragraph 31 or section 15-515. The  
4 total number of incidents reported shall only include reports that law  
5 enforcement officers report to the school are supported by probable cause.  
6 For the purposes of this paragraph, a certified peace officer who serves as a  
7 school resource officer is a law enforcement officer. A school may provide  
8 clarifying information if the school has a school resource officer on campus.

9 7. The percentage of pupils who have either graduated to the next  
10 grade level or graduated from high school.

11 8. A description of the social services available at the school site.

12 9. The school calendar, including the length of the school day and  
13 hours of operations.

14 10. The total number of pupils enrolled at the school during the  
15 previous school year.

16 11. The transportation services available.

17 12. Beginning in the 2000-2001 school year and until July 1, 2006, the  
18 reading instruction programs used by the school for kindergarten programs and  
19 grades one, two and three, pursuant to section 15-704. The report card shall  
20 include a district comparison of test scores among the different programs of  
21 reading instruction and shall identify the program of reading instruction  
22 used in each classroom.

23 13. A description of the responsibilities of parents of children  
24 enrolled at the school.

25 14. A description of the responsibilities of the school to the parents  
26 of the children enrolled at the school, including dates the report cards are  
27 delivered to the home.

28 15. A description of the composition and duties of the school council  
29 as prescribed in section 15-351 if such a school council exists.

30 16. For the most recent year available, the average current expenditure  
31 per pupil for administrative functions compared to the predicted average  
32 current expenditure per pupil for administrative functions according to an  
33 analysis of administrative cost data by the joint legislative budget  
34 committee staff.

35 17. If the school provides instruction to pupils in kindergarten  
36 programs and grades one through three, the ratio of pupils to teachers in  
37 each classroom where instruction is provided in kindergarten programs and  
38 grades one through three.

39 18. The average class size per grade level for all grade levels,  
40 kindergarten programs and grades one through eight. For the purposes of this  
41 paragraph, "average class size" means the weighted average of each class.

42 B. The department of education shall develop a standardized report  
43 card format that meets the requirements of subsection A of this section. The  
44 department shall modify the standardized report card as necessary on an  
45 annual basis. The department shall distribute to each school in this state a

1 copy of the standardized report card that includes the required test scores  
2 for each school. Additional copies of the standardized report card shall be  
3 available on request.

4 C. After each school has completed the report card distributed to it  
5 by the department of education, the school, in addition to distributing the  
6 report card as prescribed in subsection A of this section, shall send a copy  
7 of the report card to the department. The department shall prepare an annual  
8 report that contains the report card from each school in this state.

9 D. The school shall distribute report cards to parents of pupils  
10 enrolled at the school, no later than the last day of school of each fiscal  
11 year, and shall present a summary of the contents of the report cards at an  
12 annual public meeting held at the school. The school shall give notice at  
13 least two weeks before the public meeting that clearly states the purposes,  
14 time and place of the meeting.

15 Sec. 13. Section 15-763, Arizona Revised Statutes, is amended to read:

16 15-763. Plan for providing special education; definition

17 A. All school districts and charter schools shall develop policies and  
18 procedures for providing special education to all children with disabilities  
19 within the district or charter school. All children with disabilities shall  
20 receive special education programming commensurate with their abilities and  
21 needs. Each child shall be ensured access to the general curriculum and an  
22 opportunity to meet the state's academic standards. Pupils who receive  
23 special education shall not be required to achieve passing scores on the  
24 ~~Arizona~~ instrument to measure standards test in order to graduate from high  
25 school unless the pupil is learning at a level appropriate for the pupil's  
26 grade level in a specific academic area and unless a passing score on the  
27 ~~Arizona~~ instrument to measure standards test is specifically required in a  
28 specific academic area by the pupil's individualized education program as  
29 mutually agreed on by the pupil's parents and the pupil's individualized  
30 education program team or the pupil, if the pupil is at least eighteen years  
31 of age. The pupil's individualized education program shall include any  
32 necessary testing accommodations. Special education services shall be  
33 provided at no cost to the parents of children with disabilities.

34 B. The state board of education shall adopt guidelines to define a  
35 parent's or guardian's role or a pupil's role, if the pupil is at least  
36 eighteen years of age, in the development of a pupil's section 504 plan as  
37 defined in section 15-731, including testing and testing accommodations.

38 C. For the purposes of determining the services to pupils served by  
39 private schools under existing federal law, the state shall consider the term  
40 to include homeschooled pupils.

41 D. If federal monies are provided to a school district or a charter  
42 school for special education services to homeschooled or private schooled  
43 pupils, the school district or charter school shall provide the services to  
44 both the homeschooled pupils and the private schooled pupils in the same  
45 manner.

1 E. For the purposes of this section, "special education" has the same  
2 meaning prescribed in section 15-1201.

3 Sec. 14. Section 15-792.02, Arizona Revised Statutes, is amended to  
4 read:

5 15-792.02. Board examination system; private contractor; duties

6 A. The state board of education shall select and enter into a  
7 five-year agreement with a private organization to operate and administer the  
8 board examination system prescribed in this article.

9 B. The private organization selected by the state board of education  
10 shall:

11 1. Identify, select and collaborate with a national organization that  
12 is devoted to issues concerning education and the economy and that is  
13 selected by the state board of education to provide technical services to  
14 develop and maintain an interstate system of approved board examination  
15 systems.

16 2. Provide data and other information to a national organization that  
17 is devoted to issues concerning education and the economy and that is  
18 selected by the state board of education to provide technical services the  
19 national organization deems necessary to set appropriate performance  
20 standards for the students in this state. The department of education shall  
21 provide data and other information to the private organization.

22 3. Conduct technical studies required by the state board of education  
23 to compare the scores on approved board examinations by the students in this  
24 state to scores on the ~~Arizona~~ instrument to measure standards test and other  
25 measures deemed necessary to ensure the efficacy of the approved board  
26 examinations. The private organization may contract with other entities that  
27 are selected by the state board of education for the purpose of conducting  
28 technical studies.

29 4. In cooperation with the superintendent of public instruction and  
30 the state board of education, solicit monies from all lawful private and  
31 public sources, including federal monies, to offset the costs of instruction  
32 provided to students under this article.

33 5. Exercise general supervision over the implementation of the  
34 approved board examination systems in this state for the duration of the  
35 five-year contract. These examination systems shall meet the following  
36 criteria:

37 (a) Appear on a list of approved board examination systems selected by  
38 the interstate compact.

39 (b) Be periodically evaluated to ensure alignment with internationally  
40 benchmarked standards selected by an interstate compact on board examination  
41 systems.

42 (c) Have common passing scores that are prescribed by an interstate  
43 compact on board examination systems and that are set to the level of skills  
44 and knowledge needed to succeed in college-level courses offered by community  
45 colleges in this state that count toward a degree or certificate without

1 taking remedial or developmental coursework. The private organization, on  
2 approval of the state board of education and with input from representatives  
3 from school districts, charter schools, community colleges and universities  
4 in this state, shall designate two individuals to represent this state in an  
5 interstate compact on board examination systems to prescribe the common  
6 passing scores prescribed in this subdivision.

7 6. Prepare an annual report for the state board of education, which  
8 shall forward it to the legislature and the governor, on the progress made  
9 toward the goals established in this article and provide copies to the  
10 secretary of state. Participating schools and the department of education  
11 shall provide data to the private organization as needed in order to complete  
12 the annual report.

13 7. Identify, select and represent this state on the national governing  
14 body of an interstate compact on board examination systems, as approved by  
15 the state board of education, to enable states to collaborate in the  
16 following areas:

17 (a) The selection of board examination systems for use in those  
18 states.

19 (b) Providing technical assistance required to implement the board  
20 examination systems effectively in those states for the use of those  
21 examinations.

22 (c) Entering into contracts with board examination system providers or  
23 with a national organization that is devoted to issues concerning education  
24 and the economy to develop new or improved board examination systems.

25 8. Select this state's representatives in an interstate compact on  
26 board examination systems in accordance with policies prescribed by that  
27 interstate compact.

28 C. The state board of education shall adopt rules to carry out the  
29 purposes of this section and shall select college and career ready  
30 examinations that are available to pupils in grade eight, including those  
31 pupils who intend to participate in the board examinations system in high  
32 school. The examinations shall be selected to provide data to pupils, their  
33 families and schools regarding the pupil's level of preparation for entry  
34 into a college and career ready pathway in high school.

35 D. Pursuant to rules adopted by the state board of education, the  
36 department of education shall develop a system to track the academic progress  
37 of pupils who participate in the board examination system.

38 E. All actions taken pursuant to this section shall comply with the  
39 family educational rights and privacy act of 1974 (P.L. 93-380), as amended.

40 Sec. 15. Section 15-977, Arizona Revised Statutes, is amended to read:  
41 15-977. Classroom site fund; definitions

42 A. The classroom site fund is established consisting of monies  
43 transferred to the fund pursuant to section 37-521, subsection B and section  
44 42-5029, subsection E, paragraph 10. The department of education shall  
45 administer the fund. School districts and charter schools may not supplant

1 existing school site funding with revenues from the fund. All monies  
2 distributed from the fund are intended for use at the school site. Each  
3 school district or charter school shall allocate forty ~~per-cent~~ PERCENT of  
4 the monies for teacher compensation increases based on performance and  
5 employment related expenses, twenty ~~per-cent~~ PERCENT of the monies for  
6 teacher base salary increases and employment related expenses and forty ~~per~~  
7 ~~cent~~ PERCENT of the monies for maintenance and operation purposes as  
8 prescribed in subsection H of this section. Teacher compensation increases  
9 based on performance or teacher base salary increases distributed pursuant to  
10 this subsection shall supplement, and not supplant, teacher compensation  
11 monies from any other sources. The school district or charter school shall  
12 notify each school principal of the amount available to the school by April  
13 15 of each year. The district or charter school shall request from the  
14 school's principal each school's priority for the allocation of the funds  
15 available to the school for each program listed under subsection H of this  
16 section. The amount budgeted by the school district or charter school  
17 pursuant to this section shall not be included in the allowable budget  
18 balance carryforward calculated pursuant to section 15-943.01.

19 B. A school district governing board must adopt a performance based  
20 compensation system at a public hearing to allocate funding from the  
21 classroom site fund pursuant to subsection A of this section. Beginning in  
22 school year 2014-2015, individual teacher performance as measured by the  
23 teacher's performance classification pursuant to section 15-203, subsection  
24 A, paragraph 38 shall be a component of the school district's portion of the  
25 forty ~~per-cent~~ PERCENT allocation for teacher compensation based on  
26 performance and employment related expenses.

27 C. A school district governing board shall vote on a performance based  
28 compensation system that includes the following elements:

- 29 1. School district performance and school performance.
- 30 2. Individual teacher performance as measured by the teacher's  
31 performance classification pursuant to section 15-203, subsection A,  
32 paragraph 38. Beginning in school year 2014-2015, the individual teacher  
33 performance component shall account for thirty-three ~~per-cent~~ PERCENT of the  
34 forty ~~per-cent~~ PERCENT allocation for teacher compensation based on  
35 performance and employment related expenses.
- 36 3. Measures of academic progress toward the academic standards adopted  
37 by the state board of education.
- 38 4. Other measures of academic progress.
- 39 5. Dropout or graduation rates.
- 40 6. Attendance rates.
- 41 7. Ratings of school quality by parents.
- 42 8. Ratings of school quality by students.
- 43 9. The input of teachers and administrators.

1           10. Approval of the performance based compensation system based on an  
2 affirmative vote of at least seventy ~~per cent~~ PERCENT of the teachers  
3 eligible to participate in the performance based compensation system.

4           11. An appeals process for teachers who have been denied performance  
5 based compensation.

6           12. Regular evaluation for effectiveness, which shall comply by fiscal  
7 year 2014-2015 with section 15-203, subsection A, paragraph 38.

8           D. A performance based compensation system shall include teacher  
9 professional development programs that are aligned with the elements of the  
10 performance based compensation system.

11           E. A school district governing board may modify the elements contained  
12 in subsection C of this section and consider additional elements when  
13 adopting a performance based compensation system. A school district  
14 governing board shall adopt any modifications or additional elements and  
15 specify the criteria used at a public hearing.

16           F. Until December 31, 2009, each school district shall develop an  
17 assessment plan for its performance based compensation system and submit the  
18 plan to the department of education by December 31 of each year. A copy of  
19 the performance based compensation system and assessment plan adopted by the  
20 school district governing board shall be included in the report submitted to  
21 the department of education.

22           G. Monies in the fund are continuously appropriated, are exempt from  
23 the provisions of section 35-190 relating to lapsing of appropriations and  
24 shall be distributed as follows:

25           1. By March 30 of each year, the staff of the joint legislative budget  
26 committee shall determine a per pupil amount from the fund for the budget  
27 year using the estimated statewide weighted count for the current year  
28 pursuant to section 15-943, paragraph 2, subdivision (a) and based on  
29 estimated available resources in the classroom site fund for the budget year  
30 adjusted for any prior year carryforward or shortfall.

31           2. The allocation to each charter school and school district for a  
32 fiscal year shall equal the per pupil amount established in paragraph 1 of  
33 this subsection for the fiscal year multiplied by the weighted student count  
34 for the school district or charter school for the fiscal year pursuant to  
35 section 15-943, paragraph 2, subdivision (a). For the purposes of this  
36 paragraph, the weighted student count for a school district that serves as  
37 the district of attendance for nonresident pupils shall be increased to  
38 include nonresident pupils who attend school in the school district.

39           H. Monies distributed from the classroom site fund shall be spent for  
40 the following maintenance and operation purposes:

- 41           1. Class size reduction.
- 42           2. Teacher compensation increases.
- 43           3. ~~AIMS~~ INSTRUMENT TO MEASURE STANDARDS TEST intervention programs.
- 44           4. Teacher development.
- 45           5. Dropout prevention programs.

1           6. Teacher liability insurance premiums.

2           I. The district governing board or charter school shall allocate the  
3 classroom site fund monies to include, wherever possible, the priorities  
4 identified by the principals of the schools while assuring that the funds  
5 maximize classroom opportunities and conform to the authorized expenditures  
6 identified in subsection A of this section.

7           J. School districts and charter schools that receive monies from the  
8 classroom site fund shall submit a report by November 15 of each year to the  
9 superintendent of public instruction that provides an accounting of the  
10 expenditures of monies distributed from the fund during the previous fiscal  
11 year and a summary of the results of district and school programs funded with  
12 monies distributed from the fund. The department of education in conjunction  
13 with the auditor general shall prescribe the format of the report under this  
14 subsection.

15           K. School districts and charter schools that receive monies from the  
16 classroom site fund shall receive these monies monthly in an amount not to  
17 exceed one-twelfth of the monies estimated pursuant to subsection G of this  
18 section, except that if there are insufficient monies in the fund that month  
19 to make payments, the distribution for that month shall be prorated for each  
20 school district or charter school. The department of education may make an  
21 additional payment in the current month for any prior month or months in  
22 which school districts or charter schools received a prorated payment if  
23 there are sufficient monies in the fund that month for the additional  
24 payments. The state is not required to make payments to a school district or  
25 charter school classroom site fund if the state classroom site fund revenue  
26 collections are insufficient to meet the estimated allocations to school  
27 districts and charter schools pursuant to subsection G of this section.

28           L. The state education system for committed youth shall receive monies  
29 from the classroom site fund in the same manner as school districts and  
30 charter schools. The Arizona state schools for the deaf and the blind shall  
31 receive monies from the classroom site fund in an amount that corresponds to  
32 the weighted student count for the current year pursuant to section 15-943,  
33 paragraph 2, subdivision (b) for each pupil enrolled in the Arizona state  
34 schools for the deaf and the blind. Except as otherwise provided in this  
35 subsection, the Arizona state schools for the deaf and the blind and the  
36 state education system for committed youth are subject to this section in the  
37 same manner as school districts and charter schools.

38           M. Each school district and charter school, including school districts  
39 that unify pursuant to section 15-448 or consolidate pursuant to section  
40 15-459, shall establish a local level classroom site fund to receive  
41 allocations from the state level classroom site fund. The local level  
42 classroom site fund shall be a budgetary controlled account. Interest  
43 charges for any registered warrants for the local level classroom site fund  
44 shall be a charge against the local level classroom site fund. Interest  
45 earned on monies in the local level classroom site fund shall be added to the

1 local level classroom site fund as provided in section 15-978. This state  
2 shall not be required to make payments to a school district or charter school  
3 local level classroom site fund that are in addition to monies transferred to  
4 the state level classroom site fund pursuant to section 37-521, subsection B  
5 and section 42-5029, subsection E, paragraph 10.

6 N. Monies distributed from the classroom site fund for class size  
7 reduction, **AIMS INSTRUMENT TO MEASURE STANDARDS TEST** intervention and dropout  
8 prevention programs shall only be used for instructional purposes in the  
9 instruction function as defined in the uniform system of financial records,  
10 except that monies shall not be used for school sponsored athletics.

11 0. For the purposes of this section:

12 ~~1. "AIMS intervention" means summer programs, after school programs,~~  
13 ~~before school programs or tutoring programs that are specifically designed to~~  
14 ~~ensure that pupils meet the Arizona academic standards as measured by the~~  
15 ~~Arizona instrument to measure standards test prescribed by section 15-741.~~

16 ~~2.~~ 1. "Class size reduction" means any maintenance and operations  
17 expenditure that is designed to reduce the ratio of pupils to classroom  
18 teachers, including the use of persons who serve as aides to classroom  
19 teachers.

20 2. "INSTRUMENT TO MEASURE STANDARDS TEST INTERVENTION" MEANS SUMMER  
21 PROGRAMS, AFTER SCHOOL PROGRAMS, BEFORE SCHOOL PROGRAMS OR TUTORING PROGRAMS  
22 THAT ARE SPECIFICALLY DESIGNED TO ENSURE THAT PUPILS MEET THE ACADEMIC  
23 STANDARDS AS MEASURED BY THE INSTRUMENT TO MEASURE STANDARDS TEST PRESCRIBED  
24 BY SECTION 15-741.

25 Sec. 16. Section 15-1805.01, Arizona Revised Statutes, is amended to  
26 read:

27 15-1805.01. Admissions; enrollments; community colleges

28 A. Admissions to the community colleges in this state may be granted  
29 to any person who meets any one of the following criteria:

30 1. Is a graduate of a high school that is accredited by a regional  
31 accrediting association as defined by the United States office of education  
32 or approved by a state board of education or other appropriate state  
33 educational agency.

34 2. Has a high school certificate of equivalency.

35 3. Is at least eighteen years of age and demonstrates evidence of  
36 potential success in the community college.

37 4. Is a transfer student in good standing from another college or  
38 university.

39 B. Each community college district shall adopt policies regarding the  
40 admission of students under eighteen years of age that include, at a minimum,  
41 student completion of course prerequisites and the following requirements:

42 1. Admission to the community colleges in this state shall be granted  
43 to any student who is under eighteen years of age and who achieves one of the  
44 following:

- 1 (a) A composite score of 93 or more on the preliminary scholastic  
2 aptitude test.
- 3 (b) A composite score of 930 or more on the scholastic aptitude test.
- 4 (c) A composite score of twenty-two or more on the American college  
5 test.
- 6 (d) A passing score on the relevant portions of the ~~Arizona~~ instrument  
7 to measure standards test **PRESCRIBED BY SECTION 15-741**.
- 8 (e) The completion of a college placement test designated by the  
9 community college district that indicates the student is at the appropriate  
10 college level for the course.
- 11 (f) Is a graduate of a private or public high school or has a high  
12 school certificate of equivalency.
- 13 2. A community college may limit the number of semester hours in which  
14 the student may enroll to not more than six credit hours.
- 15 C. Homeschooled students are exempt from subsection B of this section.
- 16 D. Students who enroll in vocational courses may be admitted on an  
17 individual basis with the approval of college officials if the student meets  
18 the established requirements of the courses for which the student enrolls and  
19 the college officials determine that the student's admission is in the best  
20 interest of the student.
- 21 Sec. 17. Conforming legislation
- 22 The legislative council staff shall prepare proposed legislation  
23 conforming the Arizona Revised Statutes to the provisions of this act for  
24 consideration in the fifty-second legislature, second regular session.