

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HOUSE BILL 2190

AN ACT

AMENDING SECTIONS 15-102, 15-152 AND 15-183, ARIZONA REVISED STATUTES; REPEALING SECTION 15-306, ARIZONA REVISED STATUTES; AMENDING SECTION 15-341, ARIZONA REVISED STATUTES; REPEALING SECTIONS 15-348, 15-349, 15-353, 15-505, 15-706, 15-707, 15-708, 15-709, 15-711.01, 15-712.01 AND 15-718, ARIZONA REVISED STATUTES; REPEALING TITLE 15, CHAPTER 5, ARTICLE 2, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-824, 15-903, 15-1103 AND 15-1107, ARIZONA REVISED STATUTES; RELATING TO EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-102, Arizona Revised Statutes, is amended to
3 read:

4 15-102. Parental involvement in the school; definition

5 A. The governing board, in consultation with parents, teachers and
6 administrators, shall develop and adopt a policy to promote the involvement
7 of parents and guardians of children enrolled in the schools within the
8 school district, including:

9 1. A plan for parent participation in the schools ~~which~~ THAT is
10 designed to improve parent and teacher cooperation in such areas as homework,
11 attendance and discipline. **THE PLAN SHALL PROVIDE FOR THE ADMINISTRATION OF**
12 **A PARENT-TEACHER SATISFACTION SURVEY.**

13 2. Procedures by which parents may learn about the course of study for
14 their children and review learning materials, including the source of any
15 supplemental educational materials.

16 3. Procedures by which parents who object to any learning material or
17 activity on the basis that it is harmful may withdraw their children from the
18 activity or from the class or program in which the material is used.
19 Objection to a learning material or activity on the basis that it is harmful
20 includes objection to a material or activity because it questions beliefs or
21 practices in sex, morality or religion.

22 4. If a school district offers any sex education curricula pursuant to
23 section 15-711 or 15-716 or pursuant to any rules adopted by the state board
24 of education, procedures to prohibit a school district from providing sex
25 education instruction to a pupil unless the pupil's parent provides written
26 permission for the child to participate in the sex education curricula.

27 5. Procedures by which parents will be notified in advance of and
28 given the opportunity to withdraw their children from any instruction or
29 presentations regarding sexuality in courses other than formal sex education
30 curricula.

31 6. Procedures by which parents may learn about the nature and purpose
32 of clubs and activities that are part of the school curriculum,
33 extracurricular clubs and activities that have been approved by the school.

34 7. Procedures by which parents may learn about parental rights and
35 responsibilities under the laws of this state, including the following:

36 (a) The right to opt in to a sex education curriculum if one is
37 provided by the school district.

38 (b) Open enrollment rights pursuant to section 15-816.01.

39 (c) The right to opt out of assignments pursuant to this section.

40 (d) The right to opt out of immunizations pursuant to section 15-873.

41 (e) The promotion requirements prescribed in section 15-701.

42 (f) The minimum course of study and competency requirements for
43 graduation from high school prescribed in section 15-701.01.

44 (g) The right to opt out of instruction on the acquired immune
45 deficiency syndrome pursuant to section 15-716.

- 1 (h) The right to review test results pursuant to section 15-743.
2 (i) The right to participate in gifted programs pursuant to section
3 15-779.01.
4 (j) The right to access instructional materials pursuant to section
5 15-730.
6 (k) The right to receive a school report card pursuant to section
7 15-746.
8 (l) The attendance requirements prescribed in sections 15-802, 15-803
9 and 15-821.
10 (m) The right to public review of courses of study and textbooks
11 pursuant to section 15-721.
12 (n) The right to be excused from school attendance for religious
13 purposes pursuant to section 15-806.
14 (o) Policies related to parental involvement pursuant to this section.
15 (p) The right to seek membership on school councils pursuant to
16 section 15-351.
17 (q) The right to participate in a parental satisfaction survey
18 pursuant to section 15-353.
19 (r) Information about the student accountability information system as
20 prescribed in section ~~15-1042~~ 15-1041.
21 (s) The right to access the failing schools tutoring fund pursuant to
22 section 15-241.
23 B. The policy adopted by the governing board pursuant to this section
24 may also include the following components:
25 1. A plan by which parents will be made aware of the district's
26 parental involvement policy and this section, including:
27 (a) Rights under the family educational rights and privacy act of 1974
28 (20 United States Code section 1232g) relating to access to children's
29 official records.
30 (b) The parent's right to inspect the school district policies and
31 curriculum.
32 2. Efforts to encourage the development of parenting skills.
33 3. The communication to parents of techniques designed to assist the
34 child's learning experience in the home.
35 4. Efforts to encourage access to community and support services for
36 children and families.
37 5. The promotion of communication between the school and parents
38 concerning school programs and the academic progress of the parents'
39 children.
40 6. Identifying opportunities for parents to participate in and support
41 classroom instruction at the school.
42 7. Efforts to support, with appropriate training, parents as shared
43 ~~decision-makers~~ DECISION-MAKERS and to encourage membership on school
44 councils.

1 8. The recognition of the diversity of parents and the development of
2 guidelines that promote widespread parental participation and involvement in
3 the school at various levels.

4 9. The development of preparation programs and specialized courses for
5 certificated employees and administrators that promote parental involvement.

6 10. The development of strategies and programmatic structures at
7 schools to encourage and enable parents to participate actively in their
8 children's education.

9 C. The governing board may adopt a policy to provide to parents the
10 information required by this section in an electronic form.

11 D. A parent shall submit a written request for information pursuant to
12 this section during regular business hours to either the school principal at
13 the school site or the superintendent of the school district at the office of
14 the school district. Within ten days of receiving the request for
15 information, the school principal or the superintendent of the school
16 district shall either deliver the requested information to the parent or
17 submit to the parent a written explanation of the reasons for the denial of
18 the requested information. If the request for information is denied or the
19 parent does not receive the requested information within fifteen days after
20 submitting the request for information, the parent may submit a written
21 request for the information to the school district governing board, which
22 shall formally consider the request at the next scheduled public meeting of
23 the governing board if the request can be properly noticed on the agenda. If
24 the request cannot be properly noticed on the agenda, the governing board
25 shall formally consider the request at the next subsequent public meeting of
26 the governing board.

27 E. For the purposes of this section, "parent" means the natural or
28 adoptive parent or legal guardian of a minor child.

29 Sec. 2. Section 15-152, Arizona Revised Statutes, is amended to read:
30 15-152. Pest management at schools; notice

31 A. The governing board of each school district, ~~in consultation with~~
32 ~~teachers, parents, guardians, administrators, members of the public, a~~
33 ~~certified applicator, and at least one health professional,~~ shall develop and
34 adopt a policy to provide pupils and employees with at least forty-eight
35 hours' notice before pesticides are applied on school property. The policy
36 shall include at least the following:

37 1. PROCEDURES FOR ORAL NOTIFICATION TO PUPILS AND EMPLOYEES DURING THE
38 REGULAR SCHOOL SESSION.

39 2. PROCEDURES FOR EMAIL OR TELEPHONIC NOTIFICATION TO PARENTS OR
40 GUARDIANS AT LEAST FORTY-EIGHT HOURS PRIOR TO THE APPLICATION OF PESTICIDES.

41 ~~1. Procedures for providing the notification including:~~

42 ~~(a) Procedures for oral notification to pupils and employees during a~~
43 ~~regular school session.~~

44 ~~(b) Procedures for written notification to parents or guardians during~~
45 ~~a regular school session.~~

1 ~~(c) Procedures for the posting of signs to identify pesticide~~
2 ~~application areas.~~

3 ~~2. Procedures for requiring any contracted pest control applicator to~~
4 ~~provide detailed and sufficient information to the schools for the purpose of~~
5 ~~completing the posting materials.~~

6 ~~3. Procedures providing for continuing instruction for pupils who are~~
7 ~~absent because of pesticide application on school property.~~

8 ~~B. Each school district shall maintain written records of pesticide~~
9 ~~application notifications. The school district may delegate to the pest~~
10 ~~control applicator the duty to fill out and post notices required by district~~
11 ~~policy.~~

12 ~~C.~~ B. For purposes of this section, "pesticides" ~~does~~ DO not
13 include:

14 1. Nonrestricted use disinfectants, sanitizers or deodorizers
15 regulated by the federal insecticide, fungicide and rodenticide act but
16 ~~includes~~ INCLUDE other pesticides regulated under the federal insecticide,
17 fungicide and rodenticide act (P.L. 100-532; 102 Stat. 2654; 7 United States
18 Code section 136).

19 2. NONRESIDUAL PESTICIDE APPLICATIONS PERFORMED OR CONTRACTED BY
20 PUBLIC HEALTH AGENCIES FOR VECTOR CONTROL.

21 3. EMERGENCY APPLICATIONS OF A PESTICIDE THAT HAS A TOXICITY CATEGORY
22 OF III OR IV PURSUANT TO 40 CODE OF FEDERAL REGULATIONS SECTION 156.62 TO
23 CONTROL HARMFUL PESTS THAT POSE AN IMMINENT THREAT TO THE PUBLIC HEALTH.

24 Sec. 3. Section 15-183, Arizona Revised Statutes, is amended to read:

25 15-183. Charter schools; application; requirements; immunity;
26 exemptions; renewal of application; reprisal; fee;
27 funds; annual reports

28 A. An applicant seeking to establish a charter school shall submit a
29 written application to a proposed sponsor as prescribed in subsection C of
30 this section. The application, application process and application time
31 frames shall be posted on the sponsor's website and shall include the
32 following, as specified in the application adopted by the sponsor:

- 33 1. A detailed educational plan.
- 34 2. A detailed business plan.
- 35 3. A detailed operational plan.
- 36 4. Any other materials required by the sponsor.

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

40 C. The sponsor of a charter school may be either a school district
41 governing board, the state board of education, the state board for charter
42 schools, a university under the jurisdiction of the Arizona board of regents,
43 a community college district with enrollment of more than fifteen thousand
44 full-time equivalent students or a group of community college districts with

1 a combined enrollment of more than fifteen thousand full-time equivalent
2 students, subject to the following requirements:

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

5 (a) An applicant for a charter school may submit its application to a
6 school district governing board, which shall either accept or reject
7 sponsorship of the charter school within ninety days. An applicant may
8 submit a revised application for reconsideration by the governing board. If
9 the governing board rejects the application, the governing board shall notify
10 the applicant in writing of the reasons for the rejection. The applicant may
11 request, and the governing board may provide, technical assistance to improve
12 the application.

13 (b) In the first year that a school district is determined to be out
14 of compliance with the uniform system of financial records, within fifteen
15 days of the determination of noncompliance, the school district shall notify
16 by certified mail each charter school sponsored by the school district that
17 the school district is out of compliance with the uniform system of financial
18 records. The notification shall include a statement that if the school
19 district is determined to be out of compliance for a second consecutive year,
20 the charter school will be required to transfer sponsorship to another entity
21 pursuant to subdivision (c) of this paragraph.

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

40 (d) A school district governing board shall not grant a charter to a
41 charter school that is located outside the geographic boundaries of that
42 school district.

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

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

5 2. The applicant may submit the application to the state board of
6 education or the state board for charter schools. Notwithstanding any other
7 law, neither the state board for charter schools nor the state board of
8 education shall grant a charter to a school district governing board for a
9 new charter school that begins initial operations after June 30, 2013 or for
10 the conversion of an existing district public school to a charter school that
11 begins initial operations after June 30, 2013. The state board of education
12 or the state board for charter schools may approve the application if the
13 application meets the requirements of this article and may approve the
14 charter if the proposed sponsor determines, within its sole discretion, that
15 the applicant is sufficiently qualified to operate a charter school and that
16 the applicant is applying to operate as a separate charter holder by
17 considering factors such as whether:

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

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

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

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

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

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

1 3. The applicant may submit the application to a university under the
2 jurisdiction of the Arizona board of regents, a community college district or
3 a group of community college districts. A university, a community college
4 district or a group of community college districts shall not grant a charter
5 to a school district governing board for a new charter school that begins
6 initial operations after June 30, 2013 or for the conversion of an existing
7 district public school to a charter school that begins initial operations
8 after June 30, 2013. A university, a community college district or a group
9 of community college districts may approve the application if it meets the
10 requirements of this article and if the proposed sponsor determines, in its
11 sole discretion, that the applicant is sufficiently qualified to operate a
12 charter school.

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

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

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

3 (b) Ensures that the department of public safety completes a statewide
4 criminal records check on the applicant. A statewide criminal records check
5 shall be completed by the department of public safety every one hundred
6 twenty days until the date that the fingerprint check is completed or the
7 fingerprint clearance card is issued or denied.

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

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

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

16 (f) Verifies the fingerprint status of the applicant with the
17 department of public safety.

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

22 7. If a charter school operator is not already subject to a public
23 meeting or hearing by the municipality in which the charter school is
24 located, the operator of a charter school shall conduct a public meeting at
25 least thirty days before the charter school operator opens a site or sites
26 for the charter school. The charter school operator shall post notices of
27 the public meeting in at least three different locations that are within
28 three hundred feet of the proposed charter school site.

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

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

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

41 (b) Notify the person's employer or potential employer of the
42 conviction.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 F. A charter school shall keep ~~on~~ IN THE PERSONNEL file ~~the resumes~~ of
16 all current ~~and former~~ employees who provide instruction to pupils at the
17 charter school. ~~Resumes shall include an individual's~~ INFORMATION ABOUT THE
18 EMPLOYEE'S educational and teaching background and experience in a particular
19 academic content subject area. A charter school shall inform parents and
20 guardians of the availability of the ~~resume~~ information and shall make the
21 ~~resume~~ information available for inspection on request of parents and
22 guardians of pupils enrolled at the charter school. This subsection does not
23 require any charter school to release personally identifiable information in
24 relation to any teacher or employee, including the teacher's or employee's
25 address, salary, social security number or telephone number.

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

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

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

31 1. At least eighteen months before the expiration of the charter, the
32 sponsor shall notify the charter school that the charter school may apply for
33 renewal and shall make the renewal application available to the charter
34 school. A charter school that elects to apply for renewal shall file a
35 complete renewal application at least fifteen months before the expiration of
36 the charter. A sponsor shall give written notice of its intent not to renew
37 the charter school's request for renewal to the charter school at least
38 twelve months before the expiration of the charter. The sponsor shall make
39 data used in making renewal decisions available to the school and the public
40 and shall provide a public report summarizing the evidence basis for each
41 decision. The sponsor may deny the request for renewal if, in its judgment,
42 the charter holder has failed to do any of the following:

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

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

3 (c) Complete the obligations of the contract.

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

6 2. A charter operator may apply for early renewal. At least nine
7 months before the charter school's intended renewal consideration, the
8 operator of the charter school shall submit a letter of intent to the sponsor
9 to apply for early renewal. The sponsor shall review fiscal audits and
10 academic performance data for the charter school that are annually collected
11 by the sponsor, review the current contract between the sponsor and the
12 charter school and provide the qualifying charter school with a renewal
13 application. On submission of a complete application, the sponsor shall give
14 written notice of its consideration of the renewal application. The sponsor
15 may deny the request for early renewal if, in the sponsor's judgment, the
16 charter holder has failed to do any of the following:

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

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

21 (c) Complete the obligations of the contract.

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

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

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

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

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

35 4. In determining whether to renew or revoke a charter holder, the
36 sponsor must consider making sufficient progress toward the academic
37 performance expectations set forth in the sponsor's performance framework as
38 one of the most important factors.

39 5. At least sixty days before the effective date of the proposed
40 revocation, the sponsor shall give written notice to the operator of the
41 charter school of its intent to revoke the charter. Notice of the sponsor's
42 intent to revoke the charter shall be delivered personally to the operator of
43 the charter school or sent by certified mail, return receipt requested, to
44 the address of the charter school. The notice shall incorporate a statement
45 of reasons for the proposed revocation of the charter. The sponsor shall

1 allow the charter school at least sixty days to correct the problems
2 associated with the reasons for the proposed revocation of the charter. The
3 final determination of whether to revoke the charter shall be made at a
4 public hearing called for such purpose.

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

6 K. A charter school that is sponsored by the state board of education,
7 the state board for charter schools, a university, a community college
8 district or a group of community college districts may not be located on the
9 property of a school district unless the district governing board grants this
10 authority.

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

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

25 (a) Disciplinary or corrective action.

26 (b) Detail, transfer or reassignment.

27 (c) Suspension, demotion or dismissal.

28 (d) An unfavorable performance evaluation.

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

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

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

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

36 (a) Suspension or termination of the program.

37 (b) Transfer or reassignment of the program to a less favorable
38 department.

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

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

42 M. Charter schools shall secure insurance for liability and property
43 loss. The governing body of a charter school that is sponsored by the state
44 board of education or the state board for charter schools may enter into an
45 intergovernmental agreement or otherwise contract to participate in an

1 insurance program offered by a risk retention pool established pursuant to
2 section 11-952.01 or 41-621.01 or the charter school may secure its own
3 insurance coverage. The pool may charge the requesting charter school
4 reasonable fees for any services it performs in connection with the insurance
5 program.

6 N. Charter schools do not have the authority to acquire property by
7 eminent domain.

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

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

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

22 R. The sponsoring entity of a charter school shall have oversight and
23 administrative responsibility for the charter schools that it sponsors. In
24 implementing its oversight and administrative responsibilities, the sponsor
25 shall ground its actions in evidence of the charter holder's performance in
26 accordance with the performance framework adopted by the sponsor. The
27 performance framework shall be publicly available, shall be placed on the
28 sponsoring entity's website and shall include:

29 1. The academic performance expectations of the charter school and the
30 measurement of sufficient progress toward the academic performance
31 expectations.

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

34 3. Intervention and improvement policies.

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

37 T. All property accumulated by a charter school shall remain the
38 property of the charter school.

39 U. Charter schools may not locate a school on property that is less
40 than one-fourth mile from agricultural land regulated pursuant to section
41 3-365, except that the owner of the agricultural land may agree to comply
42 with the buffer zone requirements of section 3-365. If the owner agrees in
43 writing to comply with the buffer zone requirements and records the agreement
44 in the office of the county recorder as a restrictive covenant running with
45 the title to the land, the charter school may locate a school within the

1 affected buffer zone. The agreement may include any stipulations regarding
2 the charter school, including conditions for future expansion of the school
3 and changes in the operational status of the school that will result in a
4 breach of the agreement.

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

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

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

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

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

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

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

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

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

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

18 EE. Pursuant to the prescribed graduation requirements adopted by the
19 state board of education, the governing body of a charter school operating a
20 high school may approve a rigorous computer science course that would fulfill
21 a mathematics course required for graduation from high school. The governing
22 body may approve a rigorous computer science course only if the rigorous
23 computer science course includes significant mathematics content and the
24 governing body determines the high school where the rigorous computer science
25 course is offered has sufficient capacity, infrastructure and qualified
26 staff, including competent teachers of computer science.

27 FF. A charter school may permit the use of school property, including
28 school buildings, grounds, buses and equipment, by any person, group or
29 organization for any lawful purpose, including a recreational, educational,
30 political, economic, artistic, moral, scientific, social, religious or other
31 civic or governmental purpose. The charter school may charge a reasonable
32 fee for the use of the school property.

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

39 HH. Sponsors authorized pursuant to this section shall submit an
40 annual report to the auditor general on or before October 1 ~~of each year~~.
41 The report shall include:

42 1. The current number of charters authorized and the number of schools
43 operated by authorized charter holders.

44 2. The academic and operational performance of the sponsor's charter
45 portfolio as measured by the sponsor's adopted performance framework.

1 3. FOR THE PRIOR YEAR, the number of new charters approved, and the
2 number of charter schools closed and THE reason for the closure ~~in the prior~~
3 ~~year.~~

4 4. The sponsor's application, amendment, renewal and revocation
5 processes, charter contract template and current performance framework as
6 required by this section.

7 II. The auditor general shall prescribe the format for the annual
8 report required by subsection HH of this section and may require that the
9 annual report be submitted electronically. The auditor general shall review
10 the submitted annual reports to ensure that the reports include the required
11 items in subsection HH of this section and shall make the annual reports
12 available upon request. If the auditor general finds significant
13 noncompliance or ~~a sponsor's failure~~ IF A SPONSOR FAILS to submit the annual
14 report required by subsection HH of this section, on or before December 31 of
15 each year the auditor general shall report to the governor, the president of
16 the senate, the speaker of the house of representatives and the chairs of the
17 senate and house education committees or their successor committees, and the
18 legislature shall consider revoking the sponsor's authority to sponsor
19 charter schools.

20 Sec. 4. Repeal

21 Section 15-306, Arizona Revised Statutes, is repealed.

22 Sec. 5. Section 15-341, Arizona Revised Statutes, is amended to read:

23 15-341. General powers and duties; immunity; delegation

24 A. The governing board shall:

25 1. Prescribe and enforce policies and procedures for the governance of
26 the schools, not inconsistent with law or rules prescribed by the state board
27 of education.

28 2. Exclude from schools all books, publications, papers or audiovisual
29 materials of a sectarian, partisan or denominational character. This
30 paragraph shall not be construed to prohibit the elective course permitted by
31 section 15-717.01.

32 3. Manage and control the school property within its district.

33 4. Acquire school furniture, apparatus, equipment, library books and
34 supplies for the use of the schools.

35 5. Prescribe the curricula and criteria for the promotion and
36 graduation of pupils as provided in sections 15-701 and 15-701.01.

37 6. Furnish, repair and insure, at full insurable value, the school
38 property of the district.

39 7. Construct school buildings on approval by a vote of the district
40 electors.

41 8. Make in the name of the district conveyances of property belonging
42 to the district and sold by the board.

43 9. Purchase school sites when authorized by a vote of the district at
44 an election conducted as nearly as practicable in the same manner as the
45 election provided in section 15-481 and held on a date prescribed in section

1 15-491, subsection E, but such authorization shall not necessarily specify
2 the site to be purchased and such authorization shall not be necessary to
3 exchange unimproved property as provided in section 15-342, paragraph 23.

4 10. Construct, improve and furnish buildings used for school purposes
5 when such buildings or premises are leased from the national park service.

6 11. Purchase school sites or construct, improve and furnish school
7 buildings from the proceeds of the sale of school property only on approval
8 by a vote of the district electors.

9 12. Hold pupils to strict account for disorderly conduct on school
10 property.

11 13. Discipline students for disorderly conduct on the way to and from
12 school.

13 14. Except as provided in section 15-1224, deposit all monies received
14 by the district as gifts, grants and devises with the county treasurer who
15 shall credit the deposits as designated in the uniform system of financial
16 records. If not inconsistent with the terms of the gifts, grants and devises
17 given, any balance remaining after expenditures for the intended purpose of
18 the monies have been made shall be used for reduction of school district
19 taxes for the budget year, except that in the case of accommodation schools
20 the county treasurer shall carry the balance forward for use by the county
21 school superintendent for accommodation schools for the budget year.

22 15. Provide that, if a parent or legal guardian chooses not to accept a
23 decision of the teacher as provided in section ~~15-521, paragraph 4~~ PARAGRAPH
24 42 OF THIS SUBSECTION, the parent or legal guardian may request in writing
25 that the governing board review the teacher's decision. This paragraph shall
26 not be construed to release school districts from any liability relating to a
27 child's promotion or retention.

28 16. Provide for adequate supervision over pupils in instructional and
29 noninstructional activities by certificated or noncertificated personnel.

30 17. Use school monies received from the state and county school
31 apportionment exclusively for payment of salaries of teachers and other
32 employees and contingent expenses of the district.

33 18. Make an annual report to the county school superintendent on or
34 before October 1 in the manner and form and on the blanks prescribed by the
35 superintendent of public instruction or county school superintendent. The
36 board shall also make reports directly to the county school superintendent or
37 the superintendent of public instruction whenever required.

38 19. Deposit all monies received by school districts other than student
39 activities monies or monies from auxiliary operations as provided in sections
40 15-1125 and 15-1126 with the county treasurer to the credit of the school
41 district except as provided in paragraph 20 of this subsection and sections
42 15-1223 and 15-1224, and the board shall expend the monies as provided by law
43 for other school funds.

44 20. Establish bank accounts in which the board during a month may
45 deposit miscellaneous monies received directly by the district. The board

1 shall remit monies deposited in the bank accounts at least monthly to the
2 county treasurer for deposit as provided in paragraph 19 of this subsection
3 and in accordance with the uniform system of financial records.

4 21. Prescribe and enforce policies and procedures for disciplinary
5 action against a teacher who engages in conduct that is a violation of the
6 policies of the governing board but that is not cause for dismissal of the
7 teacher or for revocation of the certificate of the teacher. Disciplinary
8 action may include suspension without pay for a period of time not to exceed
9 ten school days. Disciplinary action shall not include suspension with pay
10 or suspension without pay for a period of time longer than ten school days.
11 The procedures shall include notice, hearing and appeal provisions for
12 violations that are cause for disciplinary action. The governing board may
13 designate a person or persons to act on behalf of the board on these matters.

14 22. Prescribe and enforce policies and procedures for disciplinary
15 action against an administrator who engages in conduct that is a violation of
16 the policies of the governing board regarding duties of administrators but
17 that is not cause for dismissal of the administrator or for revocation of the
18 certificate of the administrator. Disciplinary action may include suspension
19 without pay for a period of time not to exceed ten school days. Disciplinary
20 action shall not include suspension with pay or suspension without pay for a
21 period of time longer than ten school days. The procedures shall include
22 notice, hearing and appeal provisions for violations that are cause for
23 disciplinary action. The governing board may designate a person or persons
24 to act on behalf of the board on these matters. For violations that are
25 cause for dismissal, the provisions of notice, hearing and appeal in chapter
26 5, article 3 of this title shall apply. The filing of a timely request for a
27 hearing suspends the imposition of a suspension without pay or a dismissal
28 pending completion of the hearing.

29 23. Notwithstanding sections 13-3108 and 13-3120, prescribe and enforce
30 policies and procedures that prohibit a person from carrying or possessing a
31 weapon on school grounds unless the person is a peace officer or has obtained
32 specific authorization from the school administrator.

33 24. Prescribe and enforce policies and procedures relating to the
34 health and safety of all pupils participating in district sponsored practice
35 sessions or games or other interscholastic athletic activities, including:

36 (a) The provision of water.

37 (b) Guidelines, information and forms, developed in consultation with
38 a statewide private entity that supervises interscholastic activities, to
39 inform and educate coaches, pupils and parents of the dangers of concussions
40 and head injuries and the risks of continued participation in athletic
41 activity after a concussion. The policies and procedures shall require that,
42 before a pupil participates in an athletic activity, the pupil and the
43 pupil's parent must sign an information form at least once each school year
44 that states that the parent is aware of the nature and risk of concussion.
45 The policies and procedures shall require that a pupil who is suspected of

1 sustaining a concussion in a practice session, game or other interscholastic
2 athletic activity be immediately removed from the athletic activity. A coach
3 from the pupil's team or an official or a licensed health care provider may
4 remove a pupil from play. A team parent may also remove the parent's own
5 child from play. A pupil may return to play on the same day if a health care
6 provider rules out a suspected concussion at the time the pupil is removed
7 from play. On a subsequent day, the pupil may return to play if the pupil
8 has been evaluated by and received written clearance to resume participation
9 in athletic activity from a health care provider who has been trained in the
10 evaluation and management of concussions and head injuries. A health care
11 provider who is a volunteer and who provides clearance to participate in
12 athletic activity on the day of the suspected injury or on a subsequent day
13 is immune from civil liability with respect to all decisions made and actions
14 taken that are based on good faith implementation of the requirements of this
15 subdivision, except in cases of gross negligence or wanton or wilful neglect.
16 A school district, school district employee, team coach, official or team
17 volunteer or a parent or guardian of a team member is not subject to civil
18 liability for any act, omission or policy undertaken in good faith to comply
19 with the requirements of this subdivision or for a decision made or an action
20 taken by a health care provider. A group or organization that uses property
21 or facilities owned or operated by a school district for athletic activities
22 shall comply with the requirements of this subdivision. A school district
23 and its employees and volunteers are not subject to civil liability for any
24 other person or organization's failure or alleged failure to comply with the
25 requirements of this subdivision. This subdivision does not apply to teams
26 that are based in another state and that participate in an athletic activity
27 in this state. For the purposes of this subdivision, athletic activity does
28 not include dance, rhythmic gymnastics, competitions or exhibitions of
29 academic skills or knowledge or other similar forms of physical noncontact
30 activities, civic activities or academic activities, whether engaged in for
31 the purposes of competition or recreation. For the purposes of this
32 subdivision, "health care provider" means a physician who is licensed
33 pursuant to title 32, chapter 13 or 17, an athletic trainer who is licensed
34 pursuant to title 32, chapter 41, a nurse practitioner who is licensed
35 pursuant to title 32, chapter 15, and a physician assistant who is licensed
36 pursuant to title 32, chapter 25.

37 ~~25.—Prescribe and enforce policies and procedures regarding the smoking~~
38 ~~of tobacco within school buildings. The policies and procedures shall be~~
39 ~~adopted in consultation with school district personnel and members of the~~
40 ~~community and shall state whether smoking is prohibited in school buildings.~~
41 ~~If smoking in school buildings is not prohibited, the policies and procedures~~
42 ~~shall clearly state the conditions and circumstances under which smoking is~~
43 ~~permitted, those areas in a school building that may be designated as smoking~~
44 ~~areas and those areas in a school building that may not be designated as~~
45 ~~smoking areas.~~

1 ~~26.~~ 25. Establish an assessment, data gathering and reporting system
2 as prescribed in chapter 7, article 3 of this title.

3 ~~27.~~ 26. Provide special education programs and related services
4 pursuant to section 15-764, subsection A to all children with disabilities as
5 defined in section 15-761.

6 ~~28.~~ 27. Administer competency tests prescribed by the state board of
7 education for the graduation of pupils from high school.

8 ~~29.~~ 28. Ensure that insurance coverage is secured for all construction
9 projects for purposes of general liability, property damage and workers'
10 compensation and secure performance and payment bonds for all construction
11 projects.

12 ~~30.~~ 29. Keep ~~on~~ IN THE PERSONNEL file ~~the resumes~~ of all current and
13 former employees who provide instruction to pupils at a school. ~~Resumes~~
14 ~~shall include an individual's~~ INFORMATION ABOUT THE EMPLOYEE'S educational
15 and teaching background and experience in a particular academic content
16 subject area. A school district shall inform parents and guardians of the
17 availability of the ~~resume~~ information and shall make the ~~resume~~ information
18 available for inspection on request of parents and guardians of pupils
19 enrolled at a school. This paragraph shall not be construed to require any
20 school to release personally identifiable information in relation to any
21 teacher or employee, including the teacher's or employee's address, salary,
22 social security number or telephone number.

23 ~~31.~~ 30. Report to local law enforcement agencies any suspected crime
24 against a person or property that is a serious offense as defined in section
25 13-706 or that involves a deadly weapon or dangerous instrument or serious
26 physical injury and any conduct that poses a threat of death or serious
27 physical injury to employees, students or anyone on the property of the
28 school. This paragraph does not limit or preclude the reporting by a school
29 district or an employee of a school district of suspected crimes other than
30 those required to be reported by this paragraph. For the purposes of this
31 paragraph, "dangerous instrument", "deadly weapon" and "serious physical
32 injury" have the same meanings prescribed in section 13-105.

33 ~~32.~~ 31. In conjunction with local law enforcement agencies and ~~local~~
34 ~~medical facilities~~ EMERGENCY RESPONSE AGENCIES, develop an emergency response
35 plan for each school in the school district in accordance with minimum
36 standards developed jointly by the department of education and the division
37 of emergency management within the department of emergency and military
38 affairs.

39 ~~33.~~ 32. Provide written notice to the parents or guardians of all
40 students ~~affected~~ ENROLLED in the school district at least ten days prior to
41 a public meeting to discuss closing a school within the school district. The
42 notice shall include the reasons for the proposed closure and the time and
43 place of the meeting. The governing board shall fix a time for a public
44 meeting on the proposed closure no less than ten days before voting in a
45 public meeting to close the school. The school district governing board

1 shall give notice of the time and place of the meeting. At the time and
2 place designated in the notice, the school district governing board shall
3 hear reasons for or against closing the school. The school district
4 governing board is exempt from this paragraph if it is determined by the
5 governing board that the school shall be closed because it poses a danger to
6 the health or safety of the pupils or employees of the school. A governing
7 board may consult with the school facilities board for technical assistance
8 and for information on the impact of closing a school. The information
9 provided from the school facilities board shall not require the governing
10 board to take or not take any action.

11 ~~34.~~ 33. Incorporate instruction on Native American history into
12 appropriate existing curricula.

13 ~~35.~~ 34. Prescribe and enforce policies and procedures:

14 (a) Allowing pupils who have been diagnosed with anaphylaxis by a
15 health care provider licensed pursuant to title 32, chapter 13, 14, 17 or 25
16 or by a registered nurse practitioner licensed and certified pursuant to
17 title 32, chapter 15 to carry and self-administer emergency medications,
18 including auto-injectable epinephrine, while at school and at
19 school-sponsored activities. The pupil's name on the prescription label on
20 the medication container or on the medication device and annual written
21 documentation from the pupil's parent or guardian to the school that
22 authorizes possession and self-administration is sufficient proof that the
23 pupil is entitled to the possession and self-administration of the
24 medication. The policies shall require a pupil who uses auto-injectable
25 epinephrine while at school and at school-sponsored activities to notify the
26 nurse or the designated school staff person of the use of the medication as
27 soon as practicable. A school district and its employees are immune from
28 civil liability with respect to all decisions made and actions taken that are
29 based on good faith implementation of the requirements of this subdivision,
30 except in cases of wanton or wilful neglect.

31 (b) For the emergency administration of auto-injectable epinephrine by
32 a trained employee of a school district pursuant to section 15-157.

33 ~~36.~~ 35. Allow the possession and self-administration of prescription
34 medication for breathing disorders in handheld inhaler devices by pupils who
35 have been prescribed that medication by a health care professional licensed
36 pursuant to title 32. The pupil's name on the prescription label on the
37 medication container or on the handheld inhaler device and annual written
38 documentation from the pupil's parent or guardian to the school that
39 authorizes possession and self-administration shall be sufficient proof that
40 the pupil is entitled to the possession and self-administration of the
41 medication. A school district and its employees are immune from civil
42 liability with respect to all decisions made and actions taken that are based
43 on a good faith implementation of the requirements of this paragraph.

44 ~~37.~~ 36. Prescribe and enforce policies and procedures to prohibit
45 pupils from harassing, intimidating and bullying other pupils on school

1 grounds, on school property, on school buses, at school bus stops, at
2 school-sponsored events and activities and through the use of electronic
3 technology or electronic communication on school computers, networks, forums
4 and mailing lists that include the following components:

5 (a) A procedure for pupils, parents and school district employees to
6 confidentially report to school officials incidents of harassment,
7 intimidation or bullying. The school shall make available written forms
8 designed to provide a full and detailed description of the incident and any
9 other relevant information about the incident.

10 (b) A requirement that school district employees report in writing
11 suspected incidents of harassment, intimidation or bullying to the
12 appropriate school official and a description of appropriate disciplinary
13 procedures for employees who fail to report suspected incidents that are
14 known to the employee.

15 (c) A requirement that, at the beginning of each school year, school
16 officials provide all pupils with a written copy of the rights, protections
17 and support services available to a pupil who is an alleged victim of an
18 incident reported pursuant to this paragraph.

19 (d) If an incident is reported pursuant to this paragraph, a
20 requirement that school officials provide a pupil who is an alleged victim of
21 the incident with a written copy of the rights, protections and support
22 services available to that pupil.

23 (e) A formal process for the documentation of reported incidents of
24 harassment, intimidation or bullying and for the confidentiality, maintenance
25 and disposition of this documentation. School districts shall maintain
26 documentation of all incidents reported pursuant to this paragraph for at
27 least six years. The school shall not use that documentation to impose
28 disciplinary action unless the appropriate school official has investigated
29 and determined that the reported incidents of harassment, intimidation or
30 bullying occurred. If a school provides documentation of reported incidents
31 to persons other than school officials or law enforcement, all individually
32 identifiable information shall be redacted.

33 (f) A formal process for the investigation by the appropriate school
34 officials of suspected incidents of harassment, intimidation or bullying,
35 including procedures for notifying the alleged victim on completion and
36 disposition of the investigation.

37 (g) Disciplinary procedures for pupils who have admitted or been found
38 to have committed incidents of harassment, intimidation or bullying.

39 (h) A procedure that sets forth consequences for submitting false
40 reports of incidents of harassment, intimidation or bullying.

41 (i) Procedures designed to protect the health and safety of pupils who
42 are physically harmed as the result of incidents of harassment, intimidation
43 and bullying, including, if appropriate, procedures to contact emergency
44 medical services or law enforcement agencies, or both.

45 (j) Definitions of harassment, intimidation and bullying.

1 ~~38.~~ 37. Prescribe and enforce policies and procedures regarding
2 changing or adopting attendance boundaries that include the following
3 components:

4 (a) A procedure for holding public meetings to discuss attendance
5 boundary changes or adoptions that allows public comments.

6 (b) A procedure to notify the parents or guardians of the students
7 affected.

8 (c) A procedure to notify the residents of the households affected by
9 the attendance boundary changes.

10 (d) A process for placing public meeting notices and proposed maps on
11 the school district's website for public review, if the school district
12 maintains a website.

13 (e) A formal process for presenting the attendance boundaries of the
14 affected area in public meetings that allows public comments.

15 (f) A formal process for notifying the residents and parents or
16 guardians of the affected area as to the decision of the governing board on
17 the school district's website, if the school district maintains a website.

18 (g) A formal process for updating attendance boundaries on the school
19 district's website within ninety days of an adopted boundary change. The
20 school district shall send a direct link to the school district's attendance
21 boundaries website to the department of real estate.

22 ~~(h) If the land that a school was built on was donated within the past
23 five years, a formal process to notify the entity that donated the land
24 affected by the decision of the governing board.~~

25 ~~39.~~ 38. If the state board of education determines that the school
26 district has committed an overexpenditure as defined in section 15-107,
27 provide a copy of the fiscal management report submitted pursuant to section
28 15-107, subsection H on its website and make copies available to the public
29 on request. The school district shall comply with a request within five
30 business days after receipt.

31 ~~40.~~ 39. Ensure that the contract for the superintendent is structured
32 in a manner in which up to twenty ~~per cent~~ PERCENT of the total annual salary
33 included for the superintendent in the contract is classified as performance
34 pay. This paragraph shall not be construed to require school districts to
35 increase total compensation for superintendents. Unless the school district
36 governing board votes to implement an alternative procedure at a public
37 meeting called for this purpose, the performance pay portion of the
38 superintendent's total annual compensation shall be determined as follows:

39 (a) Twenty-five ~~per cent~~ PERCENT of the performance pay shall be
40 determined based on the percentage of academic gain determined by the
41 department of education of pupils who are enrolled in the school district
42 compared to the academic gain achieved by the highest ranking of the fifty
43 largest school districts in this state. For the purposes of this
44 subdivision, the department of education shall determine academic gain by the
45 academic growth achieved by each pupil who has been enrolled at the same

1 school in a school district for at least five consecutive months measured
2 against that pupil's academic results in the 2008-2009 school year. For the
3 purposes of this subdivision, of the fifty largest school districts in this
4 state, the school district with pupils who demonstrate the highest statewide
5 percentage of overall academic gain measured against academic results for the
6 2008-2009 school year shall be assigned a score of 100 and the school
7 district with pupils who demonstrate the lowest statewide percentage of
8 overall academic gain measured against academic results for the 2008-2009
9 school year shall be assigned a score of 0.

10 (b) Twenty-five ~~per-cent~~ PERCENT of the performance pay shall be
11 determined by the percentage of parents of pupils who are enrolled at the
12 school district who assign a letter grade of "A" to the school on a survey of
13 parental satisfaction with the school district. The parental satisfaction
14 survey shall be administered and scored by an independent entity that is
15 selected by the governing board and that demonstrates sufficient expertise
16 and experience to accurately measure the results of the survey. The parental
17 satisfaction survey shall use standard random sampling procedures and provide
18 anonymity and confidentiality to each parent who participates in the
19 survey. The letter grade scale used on the parental satisfaction survey
20 shall direct parents to assign one of the following letter grades:

- 21 (i) A letter grade of "A" if the school district is excellent.
- 22 (ii) A letter grade of "B" if the school district is above average.
- 23 (iii) A letter grade of "C" if the school district is average.
- 24 (iv) A letter grade of "D" if the school district is below average.
- 25 (v) A letter grade of "F" if the school district is a failure.

26 (c) Twenty-five ~~per-cent~~ PERCENT of the performance pay shall be
27 determined by the percentage of teachers who are employed at the school
28 district and who assign a letter grade of "A" to the school on a survey of
29 teacher satisfaction with the school. The teacher satisfaction survey shall
30 be administered and scored by an independent entity that is selected by the
31 governing board and that demonstrates sufficient expertise and experience to
32 accurately measure the results of the survey. The teacher satisfaction
33 survey shall use standard random sampling procedures and provide anonymity
34 and confidentiality to each teacher who participates in the survey. The
35 letter grade scale used on the teacher satisfaction survey shall direct
36 teachers to assign one of the following letter grades:

- 37 (i) A letter grade of "A" if the school district is excellent.
- 38 (ii) A letter grade of "B" if the school district is above average.
- 39 (iii) A letter grade of "C" if the school district is average.
- 40 (iv) A letter grade of "D" if the school district is below average.
- 41 (v) A letter grade of "F" if the school district is a failure.

42 (d) Twenty-five ~~per-cent~~ PERCENT of the performance pay shall be
43 determined by other criteria selected by the governing board.

44 ~~41.~~ 40. Maintain and store permanent public records of the school
45 district as required by law. Notwithstanding section 39-101, the standards

1 adopted by the Arizona state library, archives and public records for the
2 maintenance and storage of school district public records shall allow school
3 districts to elect to satisfy the requirements of this paragraph by
4 maintaining and storing these records either on paper or in an electronic
5 format, or a combination of a paper and electronic format.

6 ~~42-~~ 41. Adopt in a public meeting and implement by school year
7 2013-2014 policies for principal evaluations. Before the adoption of
8 principal evaluation policies, the school district governing board shall
9 provide opportunities for public discussion on the proposed policies. The
10 policies shall describe:

11 (a) The principal evaluation instrument, including the four
12 performance classifications adopted by the governing board pursuant to
13 section 15-203, subsection A, paragraph 38.

14 (b) Alignment of professional development opportunities to the
15 principal evaluations.

16 (c) Incentives for principals in one of the two highest performance
17 classifications pursuant to section 15-203, subsection A, paragraph 38, which
18 may include:

19 (i) Multiyear contracts pursuant to section 15-503.

20 (ii) Incentives to work at schools that are assigned a letter grade of
21 D or F pursuant to section 15-241.

22 (d) Transfer and contract processes for principals designated in the
23 lowest performance classification pursuant to section 15-203, subsection A,
24 paragraph 38.

25 42. PRESCRIBE AND ENFORCE POLICIES AND PROCEDURES THAT DEFINE THE
26 DUTIES OF PRINCIPALS AND TEACHERS. THESE POLICIES AND PROCEDURES SHALL
27 AUTHORIZE TEACHERS TO TAKE AND MAINTAIN DAILY CLASSROOM ATTENDANCE, MAKE THE
28 DECISION TO PROMOTE OR RETAIN A PUPIL IN A GRADE IN COMMON SCHOOL OR TO PASS
29 OR FAIL A PUPIL IN A COURSE IN HIGH SCHOOL, SUBJECT TO REVIEW BY THE
30 GOVERNING BOARD IN THE MANNER PROVIDED IN SECTION 15-342, PARAGRAPH 11.

31 B. Notwithstanding subsection A, paragraphs 7, 9 and 11 of this
32 section, the county school superintendent may construct, improve and furnish
33 school buildings or purchase or sell school sites in the conduct of an
34 accommodation school.

35 C. If any school district acquires real or personal property, whether
36 by purchase, exchange, condemnation, gift or otherwise, the governing board
37 shall pay to the county treasurer any taxes on the property that were unpaid
38 as of the date of acquisition, including penalties and interest. The lien
39 for unpaid delinquent taxes, penalties and interest on property acquired by a
40 school district:

41 1. Is not abated, extinguished, discharged or merged in the title to
42 the property.

43 2. Is enforceable in the same manner as other delinquent tax liens.

44 D. The governing board may not locate a school on property that is
45 less than one-fourth mile from agricultural land regulated pursuant to

1 section 3-365, except that the owner of the agricultural land may agree to
2 comply with the buffer zone requirements of section 3-365. If the owner
3 agrees in writing to comply with the buffer zone requirements and records the
4 agreement in the office of the county recorder as a restrictive covenant
5 running with the title to the land, the school district may locate a school
6 within the affected buffer zone. The agreement may include any stipulations
7 regarding the school, including conditions for future expansion of the school
8 and changes in the operational status of the school that will result in a
9 breach of the agreement.

10 E. A school district, its governing board members, its school council
11 members and its employees are immune from civil liability for the
12 consequences of adoption and implementation of policies and procedures
13 pursuant to subsection A of this section and section 15-342. This waiver
14 does not apply if the school district, its governing board members, its
15 school council members or its employees are guilty of gross negligence or
16 intentional misconduct.

17 F. A governing board may delegate in writing to a superintendent,
18 principal or head teacher the authority to prescribe procedures that are
19 consistent with the governing board's policies.

20 G. Notwithstanding any other provision of this title, a school
21 district governing board shall not take any action that would result in a
22 reduction of pupil square footage unless the governing board notifies the
23 school facilities board established by section 15-2001 of the proposed action
24 and receives written approval from the school facilities board to take the
25 action. A reduction includes an increase in administrative space that
26 results in a reduction of pupil square footage or sale of school sites or
27 buildings, or both. A reduction includes a reconfiguration of grades that
28 results in a reduction of pupil square footage of any grade level. This
29 subsection does not apply to temporary reconfiguration of grades to
30 accommodate new school construction if the temporary reconfiguration does not
31 exceed one year. The sale of equipment that results in a reduction that
32 falls below the equipment requirements prescribed in section 15-2011,
33 subsection B is subject to commensurate withholding of school district
34 district additional assistance monies pursuant to the direction of the school
35 facilities board. Except as provided in section 15-342, paragraph 10,
36 proceeds from the sale of school sites, buildings or other equipment shall be
37 deposited in the school plant fund as provided in section 15-1102.

38 H. Subsections C through G of this section apply to a county board of
39 supervisors and a county school superintendent when operating and
40 administering an accommodation school.

41 Sec. 6. Repeal

42 Sections 15-348, 15-349 and 15-353, Arizona Revised Statutes, are
43 repealed.

1 Sec. 7. Repeal

2 A. Sections 15-505, 15-706, 15-707, 15-708, 15-709, 15-711.01,
3 15-712.01 and 15-718, Arizona Revised Statutes, are repealed.

4 B. Title 15, chapter 5, article 2, Arizona Revised Statutes, is
5 repealed.

6 Sec. 8. Section 15-824, Arizona Revised Statutes, is amended to read:
7 15-824. Admission of pupils of other school districts; homeless
8 children; tuition charges; definitions

9 A. The governing board of a school district shall admit pupils from
10 another school district or area as follows:

11 1. ~~Upon~~ ON the presentation of a certificate of educational
12 convenience issued by the county school superintendent pursuant to section
13 15-825.

14 2. For three hundred fifty or fewer pupils, to a high school without
15 the presentation of such certificate, if the pupil is a resident of a common
16 school district within this state that is not within a high school district
17 and that does not offer instruction in the pupil's grade. The three hundred
18 fifty or fewer pupil limitation prescribed in this paragraph does not apply
19 to a small isolated school district as defined in section 15-901. Tuition
20 shall be charged as prescribed in subsection E of this section for each pupil
21 admitted pursuant to this paragraph, each pupil from a school district that
22 provides only financing for pupils who are instructed by another school
23 district and each pupil from a unified district that does not offer
24 instruction in the pupil's grade. The school membership of such pupils is
25 deemed, for the purpose of determining student count and for apportionment of
26 state aid, to be enrollment in the school district of the pupil's residence.

27 B. The residence of the person having legal custody of the pupil is
28 considered the residence of the pupil, except as provided in subsection C of
29 this section and in section 15-825, subsection B.

30 C. The current residence of a homeless pupil who does not reside with
31 the person having legal custody of the pupil is considered to be the
32 residence of the homeless pupil if the person having legal custody of the
33 pupil is a resident of the United States. For the purposes of this
34 subsection, "homeless pupil" means a pupil who has a primary residence that
35 is:

36 1. A supervised publicly or privately operated shelter designed to
37 provide temporary living accommodations.

38 2. An institution that provides a temporary residence for individuals
39 intended to be institutionalized.

40 3. A public or private place not designed for, or ordinarily used as,
41 a regular sleeping accommodation for human beings.

42 D. The school enrollment of a pupil who is a resident of this state or
43 who is admitted to a school district under section 15-823, subsection B, C,
44 ~~or~~ E OR G is deemed, for the purpose of determining student count and for
45 apportionment of state aid, to be enrollment in the school district of actual

1 attendance, except as provided in section 15-825, subsection A, paragraph 1
2 and subsection A, paragraph 2 of this section and except for pupils for whom
3 the superintendent of public instruction is charged tuition pursuant to
4 section 15-825, subsections B and D and section 15-976 or for whom another
5 school district is charged tuition as provided in subsections E and G of this
6 section.

7 E. If tuition is required to be charged for pupils attending school in
8 a school district other than that of their residence, the tuition shall be
9 determined and paid in the following manner:

10 1. The number of high school pupils for which tuition may be charged
11 to a common school district that is not within a high school district is
12 equal to the average daily membership in the district of attendance from the
13 common school district for the prior fiscal year, except that for the first
14 year in which a common school district not within a high school district
15 stops teaching high school subjects, the district of attendance may charge
16 tuition for the number of pupils ~~which~~ THAT is equal to the average daily
17 membership for high school pupils in the common school district for the prior
18 fiscal year. This number may be adjusted if the common school district
19 increases its revenue control limit and district support level or recomputes
20 its revenue control limit as provided in section 15-948.

21 2. The tuition for pupils attending school in a school district other
22 than that of their residence, except pupils provided for by section 15-825,
23 subsections B and D and any pupils included in the definition of child with a
24 disability in section 15-761, shall not exceed the cost per student count of
25 the school district attended, as determined for the current school year.
26 Tuition for pupils included in the definition of child with a disability in
27 section 15-761 shall not exceed the actual cost of the school attended for
28 each pupil as determined for the current year. The school district of
29 attendance shall not include in the cost per student count a charge for
30 transportation if no transportation is provided, and the charge for
31 transportation shall not exceed the actual costs of providing transportation
32 for the pupils served, as prescribed in the uniform system of financial
33 records. The school district of attendance shall provide the school district
34 of residence with the final tuition charge for the current year and with an
35 estimate of the budget year's tuition charge by May 1 of the current year.
36 The school district of residence shall pay at least one-fourth of the total
37 amount of the estimated tuition by September 30, December 31 and March 31,
38 and it shall pay the remaining amount it owes after adjustments are made by
39 June 30.

40 3. Notwithstanding paragraph 2 of this subsection and subsection G of
41 this section, if two school districts enter into a voluntary agreement for
42 the payment of tuition, the agreement shall specify the method for computing
43 the tuition amount and the timing of the payments. The agreement shall not
44 be longer than five consecutive years. If two school districts enter into an
45 agreement and choose to renew the agreement, each renewal shall not be longer

1 than five consecutive years. The agreement shall specify that a parent or
2 legal guardian of a pupil affected by a tuition agreement entered pursuant to
3 this section or section 15-816.01 may choose not to send the pupil or pupils
4 to a school district or school that is a party to the agreement.

5 4. Tuition of pupils as provided in section 15-825, subsection D shall
6 not exceed the excess costs for group B children with disabilities minus the
7 amount generated by the equalization base as determined in section 15-971,
8 subsection A for these pupils. A school district may submit to the
9 superintendent of public instruction a record of actual excess costs to
10 educate a group B child with a disability if the costs are higher than the
11 calculated excess costs or if a pupil has been placed in a private school for
12 special education services. The superintendent shall determine if the
13 additional costs will be paid, and if the costs are paid, whether the
14 additional costs will be paid by the state or the resident district.

15 5. The amount received representing contributions to capital outlay as
16 provided in subsection G, paragraph 1, subdivision (b) of this section shall
17 be applied to the capital outlay fund or the debt service fund of the school
18 district.

19 6. The amount received representing contributions to debt service as
20 provided in subsection G, paragraph 1, subdivisions (c) and (d) of this
21 section shall be applied to the debt service fund of the school district if
22 there is one. Otherwise such amount shall be credited to the capital outlay
23 fund of the school district.

24 F. A school district may submit to the superintendent of public
25 instruction a record of actual costs paid by the school district to educate a
26 pupil who qualifies for a certificate of educational convenience under
27 section 15-825, subsection B. If the actual costs for that pupil exceed the
28 costs per student count computed pursuant to subsection G of this section,
29 the superintendent of public instruction shall reimburse the school district
30 for these additional costs subject to legislative appropriation.

31 G. For the purposes of this section:

32 1. "Costs per student count" means the sum of the following for the
33 common or high school portion of the school district attended, whichever is
34 applicable to the pupil involved, as prescribed in the uniform system of
35 financial records:

36 (a) The actual school district expenditures for the regular education
37 program subsection of the maintenance and operation section of the budget
38 divided by the school district's student count for the common or high school
39 portion of the school district, whichever is applicable.

40 (b) The actual school district expenditures for the capital outlay
41 section of the budget as provided in sections 15-903 and 15-905 excluding
42 expenditures for transportation equipment and buildings if no transportation
43 is provided and expenditures for the acquisition of building sites, divided
44 by the school district's student count for the common or high school portion
45 of the school district, whichever is applicable.

1 (c) The actual school district expenditures for debt service divided
2 by the school district's student count for the common or high school portion
3 of the school district, whichever is applicable.

4 (d) The result obtained in subdivision (c) of this paragraph shall not
5 exceed:

6 (i) Seven hundred fifty dollars if the pupil's school district of
7 residence pays tuition for seven hundred fifty or fewer pupils to other
8 school districts or one hundred fifty dollars if the state pays tuition for
9 seven hundred fifty or fewer pupils to a school district pursuant to section
10 15-825, subsection D or section 15-976.

11 (ii) Eight hundred dollars if the pupil's school district of residence
12 pays tuition for one thousand or fewer, but more than seven hundred fifty,
13 pupils to other school districts or two hundred dollars if the state pays
14 tuition for one thousand or fewer, but more than seven hundred fifty, pupils
15 to a school district pursuant to section 15-825, subsection D or section
16 15-976.

17 (iii) The actual cost per student count if either the pupil's school
18 district of residence or the state pays tuition for more than one thousand
19 pupils to other school districts.

20 2. "Legal custody" means:

21 (a) Custody exercised by the natural or adoptive parents with whom a
22 pupil resides.

23 (b) Custody granted by order of a court of competent jurisdiction to a
24 person or persons with whom a pupil resides unless the primary purpose for
25 which custody was requested was to circumvent the payment of tuition as
26 provided in this section.

27 Sec. 9. Section 15-903, Arizona Revised Statutes, is amended to read:
28 15-903. Budget format; prohibited expenditures

29 A. The superintendent of public instruction in conjunction with the
30 auditor general shall prepare and prescribe a budget format to be utilized by
31 all school districts.

32 B. The budget format shall be designed to allow all school districts
33 to plan and provide in detail for the use of available funds. The budget
34 format shall contain distinct sections for, but need not be limited to,
35 maintenance and operation, debt service, special projects, capital outlay,
36 adjacent ways and classroom site fund. The maintenance and operation section
37 shall include, but need not be limited to, separate subsections for regular
38 education programs, special education programs and operational expenditures
39 for pupil transportation. Each subsection shall clearly distinguish
40 classroom instruction expenditures. The special education program subsection
41 shall include, ~~but is not limited to, programs for each~~ A SUBTOTAL FOR THE
42 disability ~~classification~~ CLASSIFICATIONS as defined in section 15-761 and
43 programs for gifted, vocational and technical education, remedial education
44 and bilingual students. The total expenditures for each of these programs
45 shall be included on the budget form. The pupil transportation subsection

1 shall include all operational expenditures relating to the transportation of
2 pupils, including all operational expenditures within a contract if the
3 school district contracts for pupil transportation.

4 C. The capital outlay section of the budget shall include a subsection
5 for unrestricted capital outlay. The unrestricted capital outlay subsection
6 shall include budgeted expenditures for acquisitions by purchase,
7 lease-purchase or lease of capital items as defined in the uniform system of
8 financial records and shall include:

9 1. Land, buildings and improvements to land and buildings, including
10 labor and related employee benefits costs and material costs if work is
11 performed by school district employees.

12 2. Furniture, furnishings, athletic equipment and other equipment,
13 including computer software.

14 3. Pupil and nonpupil transportation vehicles and equipment, including
15 all capital expenditures within a contract if the school district contracts
16 for pupil transportation.

17 4. Textbooks and related printed subject matter materials adopted by
18 the governing board.

19 5. Instructional aids.

20 6. Library books.

21 7. Payment of principal and interest on bonds.

22 8. School district administration emergency needs that are directly
23 related to pupils.

24 D. The budget format shall contain distinct subsections for the
25 following:

26 1. Special programs to improve academic achievement of pupils in
27 kindergarten programs and grades one through three as provided in section
28 15-482.

29 2. School plant funds.

30 3. Capital outlay budget increases as provided in section 15-481.

31 4. Property taxation, including the following:

32 (a) The primary tax rates for the school district for the current year
33 and the budget year.

34 (b) The secondary tax rates for maintenance and operation, K-3 and
35 capital overrides for the school district for the current year and the budget
36 year.

37 (c) The secondary tax rates for class A bonds for the school district
38 for the current year and the budget year.

39 (d) The secondary tax rates for class B bonds for the school district
40 for the current year and the budget year.

41 5. A description of any corrections or adjustments made to the budget
42 pursuant to section 15-915.

1 E. The budget format shall also contain:

2 1. A statement identifying proposed pupil-teacher ratios and
3 pupil-staff ratios relating to the provision of special education services
4 for the budget year.

5 2. A statement identifying the number of full-time equivalent
6 certified employees.

7 F. The special projects section shall include budgeted expenditures
8 for state special projects, including special adult projects, career
9 education, deficiencies correction fund projects and new school facilities
10 fund projects, such federal special projects as ESEA title programs,
11 vocational education and title IV Indian education, and other special
12 projects.

13 G. A school district shall not make expenditures for campaign
14 literature associated with school district or charter school officials. If
15 the superintendent of public instruction determines that a school district
16 has violated this subsection, the superintendent of public instruction may
17 withhold any portion of the school district's apportionment of state aid.

18 H. The budget format shall include an electronic format that shall be
19 submitted for each proposed, adopted and revised budget.

20 Sec. 10. Section 15-1103, Arizona Revised Statutes, is amended to
21 read:

22 15-1103. Insurance proceeds fund; disposition of proceeds

23 A. Monies received for and derived from insurance losses shall be
24 deposited with the county treasurer who shall credit the deposits to the
25 insurance proceeds fund of the respective school district. The insurance
26 proceeds fund of a school district is a continuing fund **THAT IS** not subject
27 to reversion.

28 B. The governing board, or the superintendent or chief administrative
29 officer with the approval of the governing board, may apply the proceeds from
30 insurance recoveries to the payment of any outstanding bonded indebtedness of
31 the school district that is payable from the levy of taxes on property within
32 the school district.

33 C. The governing board, or the superintendent or chief administrative
34 officer with the approval of the governing board, may apply the proceeds of
35 insurance recoveries to construct, acquire, improve, repair or furnish school
36 property ~~after notice and a hearing~~.

37 Sec. 11. Section 15-1107, Arizona Revised Statutes, is amended to
38 read:

39 15-1107. Litigation recovery fund; disposition of proceeds

40 A. Monies received for and derived from settlement of legal
41 controversies or from recovery of costs, attorney fees or damages by a school
42 district in litigation by or against the school district shall be deposited
43 with the county treasurer who shall credit the deposits to the litigation
44 recovery fund of the school district. The litigation recovery fund is a
45 continuing fund ~~which~~ **THAT** is not subject to reversion.

1 B. If a school district receives monies as provided in subsection A OF
2 THIS SECTION for the purpose of replacing or repairing school buildings or
3 other school property, the governing board, or the superintendent or chief
4 administrative officer with the approval of the governing board, may only
5 apply the proceeds to:
6 1. Pay any outstanding bonded indebtedness of the school district
7 ~~which~~ THAT is payable from the levy of taxes on property within the school
8 district.
9 2. Construct, acquire, improve, repair or furnish school buildings
10 ~~after notice and a hearing.~~
11 3. Replace or repair the school property other than school buildings.
12 C. Except as provided in subsection B OF THIS SECTION, the governing
13 board, or the superintendent or chief administrative officer with the
14 approval of the governing board, may apply the proceeds of litigation
15 recoveries to procure legal services or for the costs of litigation.
16 Sec. 12. Conforming legislation
17 The legislative council staff shall prepare proposed legislation
18 conforming the Arizona Revised Statutes to the provisions of this act for
19 consideration in the fifty-third legislature, first regular session.