

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

HB 2190

Introduced by
Representative Boyer: Senator Allen S

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 15-349 AND 15-353, ARIZONA REVISED STATUTES; AMENDING SECTION 15-393, ARIZONA REVISED STATUTES; REPEALING SECTION 15-505, ARIZONA REVISED STATUTES; REPEALING TITLE 15, CHAPTER 5, ARTICLE 2, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-903, 15-910, 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, **EXCEPT THAT A**
36 **SCHOOL DISTRICT MAY IMMEDIATELY APPLY PESTICIDE TO AN IDENTIFIED INFESTATION**
37 **IF THE SCHOOL DISTRICT DETERMINES THAT THE APPLICATION IS NECESSARY TO ARREST**
38 **FURTHER INFESTATION AND IF REASONABLE PRECAUTIONS ARE TAKEN TO AVOID EXPOSURE**
39 **TO EMPLOYEES AND PUPILS.** ~~The policy shall include at least the following:~~

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

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

43 ~~(b) Procedures for written notification to parents or guardians during~~
44 ~~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 include
13 nonrestricted use disinfectants, sanitizers or deodorizers regulated by the
14 federal insecticide, fungicide and rodenticide act but ~~includes~~ **INCLUDE** other
15 pesticides regulated under the federal insecticide, fungicide and rodenticide
16 act (P.L. 100-532; 102 Stat. 2654; 7 United States Code section 136).

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

18 15-183. Charter schools; application; requirements; immunity;
19 exemptions; renewal of application; reprisal; fee;
20 funds; annual reports

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

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

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

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

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

42 (a) An applicant for a charter school may submit its application to a
43 school district governing board, which shall either accept or reject
44 sponsorship of the charter school within ninety days. An applicant may
45 submit a revised application for reconsideration by the governing board. If

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

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

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

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

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

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

42 2. The applicant may submit the application to the state board of
43 education or the state board for charter schools. Notwithstanding any other
44 law, neither the state board for charter schools nor the state board of
45 education shall grant a charter to a school district governing board for a

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

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

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

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

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

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

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

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

1 of community college districts may approve the application if it meets the
2 requirements of this article and if the proposed sponsor determines, in its
3 sole discretion, that the applicant is sufficiently qualified to operate a
4 charter school.

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

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

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

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

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

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

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

9 (f) Verifies the fingerprint status of the applicant with the
10 department of public safety.

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

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

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

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

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

34 (b) Notify the person's employer or potential employer of the
35 conviction.

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

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

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

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

44 1. Ensure compliance with federal, state and local rules, regulations
45 and statutes relating to health, safety, civil rights and insurance. The

1 department of education shall publish a list of relevant rules, regulations
2 and statutes to notify charter schools of their responsibilities under this
3 paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (c) Complete the obligations of the contract.

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

41 2. A charter operator may apply for early renewal. At least nine
 42 months before the charter school's intended renewal consideration, the
 43 operator of the charter school shall submit a letter of intent to the sponsor
 44 to apply for early renewal. The sponsor shall review fiscal audits and
 45 academic performance data for the charter school that are annually collected

1 by the sponsor, review the current contract between the sponsor and the
2 charter school and provide the qualifying charter school with a renewal
3 application. On submission of a complete application, the sponsor shall give
4 written notice of its consideration of the renewal application. The sponsor
5 may deny the request for early renewal if, in the sponsor's judgment, the
6 charter holder has failed to do any of the following:

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

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

11 (c) Complete the obligations of the contract.

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

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

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

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

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

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

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

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

41 K. A charter school that is sponsored by the state board of education,
42 the state board for charter schools, a university, a community college
43 district or a group of community college districts may not be located on the
44 property of a school district unless the district governing board grants this
45 authority.

1 L. A governing board or a school district employee who has control
2 over personnel actions shall not take unlawful reprisal against another
3 employee of the school district because the employee is directly or
4 indirectly involved in an application to establish a charter school. A
5 governing board or a school district employee shall not take unlawful
6 reprisal against an educational program of the school or the school district
7 because an application to establish a charter school proposes the conversion
8 of all or a portion of the educational program to a charter school. For the
9 purposes of this subsection, "unlawful reprisal" means an action that is
10 taken by a governing board or a school district employee as a direct result
11 of a lawful application to establish a charter school and that is adverse to
12 another employee or an education program and:

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

- 15 (a) Disciplinary or corrective action.
- 16 (b) Detail, transfer or reassignment.
- 17 (c) Suspension, demotion or dismissal.
- 18 (d) An unfavorable performance evaluation.
- 19 (e) A reduction in pay, benefits or awards.
- 20 (f) Elimination of the employee's position without a reduction in
21 force by reason of lack of monies or work.
- 22 (g) Other significant changes in duties or responsibilities that are
23 inconsistent with the employee's salary or employment classification.

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

- 26 (a) Suspension or termination of the program.
- 27 (b) Transfer or reassignment of the program to a less favorable
28 department.
- 29 (c) Relocation of the program to a less favorable site within the
30 school or school district.
- 31 (d) Significant reduction or termination of funding for the program.

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

41 N. Charter schools do not have the authority to acquire property by
42 eminent domain.

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

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

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

12 R. The sponsoring entity of a charter school shall have oversight and
13 administrative responsibility for the charter schools that it sponsors. In
14 implementing its oversight and administrative responsibilities, the sponsor
15 shall ground its actions in evidence of the charter holder's performance in
16 accordance with the performance framework adopted by the sponsor. The
17 performance framework shall be publicly available, shall be placed on the
18 sponsoring entity's website and shall include:

19 1. The academic performance expectations of the charter school and the
20 measurement of sufficient progress toward the academic performance
21 expectations.

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

24 3. Intervention and improvement policies.

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

27 T. All property accumulated by a charter school shall remain the
28 property of the charter school.

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

40 V. A transfer of a charter to another sponsor, a transfer of a charter
41 school site to another sponsor or a transfer of a charter school site to a
42 different charter shall be completed before the beginning of the fiscal year
43 that the transfer is scheduled to become effective. An entity that sponsors
44 charter schools may accept a transferring school after the beginning of the
45 fiscal year if the transfer is approved by the superintendent of public

1 instruction. The superintendent of public instruction shall have the
2 discretion to consider each transfer during the fiscal year on a case by case
3 basis. If a charter school is sponsored by a school district that is
4 determined to be out of compliance with this title, the uniform system of
5 financial records or any other state or federal law, the charter school may
6 transfer to another sponsoring entity at any time during the fiscal year. A
7 charter holder seeking to transfer sponsors shall comply with the current
8 charter terms regarding assignment of the charter. A charter holder
9 transferring sponsors shall notify the current sponsor that the transfer has
10 been approved by the new sponsor.

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

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

25 Y. The sponsoring entity may not charge any fees to a charter school
26 that it sponsors unless the sponsor has provided services to the charter
27 school and the fees represent the full value of those services provided by
28 the sponsor. On request, the value of the services provided by the sponsor
29 to the charter school shall be demonstrated to the department of education.

30 Z. Charter schools may enter into an intergovernmental agreement with
31 a presiding judge of the juvenile court to implement a law related education
32 program as defined in section 15-154. The presiding judge of the juvenile
33 court may assign juvenile probation officers to participate in a law related
34 education program in any charter school in the county. The cost of juvenile
35 probation officers who participate in the program implemented pursuant to
36 this subsection shall be funded by the charter school.

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

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

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

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

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

17 FF. A charter school may permit the use of school property, including
18 school buildings, grounds, buses and equipment, by any person, group or
19 organization for any lawful purpose, including a recreational, educational,
20 political, economic, artistic, moral, scientific, social, religious or other
21 civic or governmental purpose. The charter school may charge a reasonable
22 fee for the use of the school property.

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

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

32 1. The current number of charters authorized and the number of schools
33 operated by authorized charter holders.

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

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

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

42 II. The auditor general shall prescribe the format for the annual
43 report required by subsection HH of this section and may require that the
44 annual report be submitted electronically. The auditor general shall review
45 the submitted annual reports to ensure that the reports include the required

1 items in subsection HH of this section and shall make the annual reports
2 available upon request. If the auditor general finds significant
3 noncompliance or ~~a sponsor's failure~~ IF A SPONSOR FAILS to submit the annual
4 report required by subsection HH of this section, on or before December 31 of
5 each year the auditor general shall report to the governor, the president of
6 the senate, the speaker of the house of representatives and the chairs of the
7 senate and house education committees or their successor committees, and the
8 legislature shall consider revoking the sponsor's authority to sponsor
9 charter schools.

10 Sec. 4. Repeal

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

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

13 15-341. General powers and duties; immunity; delegation

14 A. The governing board shall:

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

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

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

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

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

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

29 7. Construct school buildings on approval by a vote of the district
30 electors.

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

33 9. Purchase school sites when authorized by a vote of the district at
34 an election conducted as nearly as practicable in the same manner as the
35 election provided in section 15-481 and held on a date prescribed in section
36 15-491, subsection E, but such authorization shall not necessarily specify
37 the site to be purchased and such authorization shall not be necessary to
38 exchange unimproved property as provided in section 15-342, paragraph 23.

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

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

44 12. Hold pupils to strict account for disorderly conduct on school
45 property.

1 13. Discipline students for disorderly conduct on the way to and from
2 school.

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

12 15. Provide that, if a parent or legal guardian chooses not to accept a
13 decision of the teacher as provided in section ~~15-521, paragraph 4~~ PARAGRAPH
14 42 OF THIS SUBSECTION, the parent or legal guardian may request in writing
15 that the governing board review the teacher's decision. This paragraph shall
16 not be construed to release school districts from any liability relating to a
17 child's promotion or retention.

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

20 17. Use school monies received from the state and county school
21 apportionment exclusively for payment of salaries of teachers and other
22 employees and contingent expenses of the district.

23 18. Make an annual report to the county school superintendent on or
24 before October 1 in the manner and form and on the blanks prescribed by the
25 superintendent of public instruction or county school superintendent. The
26 board shall also make reports directly to the county school superintendent or
27 the superintendent of public instruction whenever required.

28 19. Deposit all monies received by school districts other than student
29 activities monies or monies from auxiliary operations as provided in sections
30 15-1125 and 15-1126 with the county treasurer to the credit of the school
31 district except as provided in paragraph 20 of this subsection and sections
32 15-1223 and 15-1224, and the board shall expend the monies as provided by law
33 for other school funds.

34 20. Establish bank accounts in which the board during a month may
35 deposit miscellaneous monies received directly by the district. The board
36 shall remit monies deposited in the bank accounts at least monthly to the
37 county treasurer for deposit as provided in paragraph 19 of this subsection
38 and in accordance with the uniform system of financial records.

39 21. Prescribe and enforce policies and procedures for disciplinary
40 action against a teacher who engages in conduct that is a violation of the
41 policies of the governing board but that is not cause for dismissal of the
42 teacher or for revocation of the certificate of the teacher. Disciplinary
43 action may include suspension without pay for a period of time not to exceed
44 ten school days. Disciplinary action shall not include suspension with pay
45 or suspension without pay for a period of time longer than ten school days.

1 The procedures shall include notice, hearing and appeal provisions for
2 violations that are cause for disciplinary action. The governing board may
3 designate a person or persons to act on behalf of the board on these matters.

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

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

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

26 (a) The provision of water.

27 (b) Guidelines, information and forms, developed in consultation with
28 a statewide private entity that supervises interscholastic activities, to
29 inform and educate coaches, pupils and parents of the dangers of concussions
30 and head injuries and the risks of continued participation in athletic
31 activity after a concussion. The policies and procedures shall require that,
32 before a pupil participates in an athletic activity, the pupil and the
33 pupil's parent must sign an information form at least once each school year
34 that states that the parent is aware of the nature and risk of concussion.
35 The policies and procedures shall require that a pupil who is suspected of
36 sustaining a concussion in a practice session, game or other interscholastic
37 athletic activity be immediately removed from the athletic activity. A coach
38 from the pupil's team or an official or a licensed health care provider may
39 remove a pupil from play. A team parent may also remove the parent's own
40 child from play. A pupil may return to play on the same day if a health care
41 provider rules out a suspected concussion at the time the pupil is removed
42 from play. On a subsequent day, the pupil may return to play if the pupil
43 has been evaluated by and received written clearance to resume participation
44 in athletic activity from a health care provider who has been trained in the
45 evaluation and management of concussions and head injuries. A health care

1 provider who is a volunteer and who provides clearance to participate in
2 athletic activity on the day of the suspected injury or on a subsequent day
3 is immune from civil liability with respect to all decisions made and actions
4 taken that are based on good faith implementation of the requirements of this
5 subdivision, except in cases of gross negligence or wanton or wilful neglect.
6 A school district, school district employee, team coach, official or team
7 volunteer or a parent or guardian of a team member is not subject to civil
8 liability for any act, omission or policy undertaken in good faith to comply
9 with the requirements of this subdivision or for a decision made or an action
10 taken by a health care provider. A group or organization that uses property
11 or facilities owned or operated by a school district for athletic activities
12 shall comply with the requirements of this subdivision. A school district
13 and its employees and volunteers are not subject to civil liability for any
14 other person or organization's failure or alleged failure to comply with the
15 requirements of this subdivision. This subdivision does not apply to teams
16 that are based in another state and that participate in an athletic activity
17 in this state. For the purposes of this subdivision, athletic activity does
18 not include dance, rhythmic gymnastics, competitions or exhibitions of
19 academic skills or knowledge or other similar forms of physical noncontact
20 activities, civic activities or academic activities, whether engaged in for
21 the purposes of competition or recreation. For the purposes of this
22 subdivision, "health care provider" means a physician who is licensed
23 pursuant to title 32, chapter 13 or 17, an athletic trainer who is licensed
24 pursuant to title 32, chapter 41, a nurse practitioner who is licensed
25 pursuant to title 32, chapter 15, and a physician assistant who is licensed
26 pursuant to title 32, chapter 25.

27 ~~25. Prescribe and enforce policies and procedures regarding the smoking~~
28 ~~of tobacco within school buildings. The policies and procedures shall be~~
29 ~~adopted in consultation with school district personnel and members of the~~
30 ~~community and shall state whether smoking is prohibited in school buildings.~~
31 ~~If smoking in school buildings is not prohibited, the policies and procedures~~
32 ~~shall clearly state the conditions and circumstances under which smoking is~~
33 ~~permitted, those areas in a school building that may be designated as smoking~~
34 ~~areas and those areas in a school building that may not be designated as~~
35 ~~smoking areas.~~

36 ~~26.~~ 25. Establish an assessment, data gathering and reporting system
37 as prescribed in chapter 7, article 3 of this title.

38 ~~27.~~ 26. Provide special education programs and related services
39 pursuant to section 15-764, subsection A to all children with disabilities as
40 defined in section 15-761.

41 ~~28.~~ 27. Administer competency tests prescribed by the state board of
42 education for the graduation of pupils from high school.

43 ~~29.~~ 28. Ensure that insurance coverage is secured for all construction
44 projects for purposes of general liability, property damage and workers'

1 compensation and secure performance and payment bonds for all construction
2 projects.

3 ~~30-~~ 29. Keep ~~on~~ IN THE PERSONNEL file ~~the resumes~~ of all current and
4 former employees who provide instruction to pupils at a school. ~~Resumes~~
5 ~~shall include an individual's~~ INFORMATION ABOUT THE EMPLOYEE'S educational
6 and teaching background and experience in a particular academic content
7 subject area. A school district shall inform parents and guardians of the
8 availability of the ~~resume~~ information and shall make the ~~resume~~ information
9 available for inspection on request of parents and guardians of pupils
10 enrolled at a school. This paragraph shall not be construed to require any
11 school to release personally identifiable information in relation to any
12 teacher or employee, including the teacher's or employee's address, salary,
13 social security number or telephone number.

14 ~~31-~~ 30. Report to local law enforcement agencies any suspected crime
15 against a person or property that is a serious offense as defined in section
16 13-706 or that involves a deadly weapon or dangerous instrument or serious
17 physical injury and any conduct that poses a threat of death or serious
18 physical injury to employees, students or anyone on the property of the
19 school. This paragraph does not limit or preclude the reporting by a school
20 district or an employee of a school district of suspected crimes other than
21 those required to be reported by this paragraph. For the purposes of this
22 paragraph, "dangerous instrument", "deadly weapon" and "serious physical
23 injury" have the same meanings prescribed in section 13-105.

24 ~~32-~~ 31. In conjunction with local law enforcement agencies and ~~local~~
25 ~~medical facilities~~ EMERGENCY RESPONSE AGENCIES, develop an emergency response
26 plan for each school in the school district in accordance with minimum
27 standards developed jointly by the department of education and the division
28 of emergency management within the department of emergency and military
29 affairs.

30 ~~33-~~ 32. Provide written notice to the parents or guardians of all
31 students ~~affected~~ ENROLLED in the school district at least ten days prior to
32 a public meeting to discuss closing a school within the school district. The
33 notice shall include the reasons for the proposed closure and the time and
34 place of the meeting. The governing board shall fix a time for a public
35 meeting on the proposed closure no less than ten days before voting in a
36 public meeting to close the school. The school district governing board
37 shall give notice of the time and place of the meeting. At the time and
38 place designated in the notice, the school district governing board shall
39 hear reasons for or against closing the school. The school district
40 governing board is exempt from this paragraph if it is determined by the
41 governing board that the school shall be closed because it poses a danger to
42 the health or safety of the pupils or employees of the school. A governing
43 board may consult with the school facilities board for technical assistance
44 and for information on the impact of closing a school. The information

1 provided from the school facilities board shall not require the governing
2 board to take or not take any action.

3 ~~34-~~ 33. Incorporate instruction on Native American history into
4 appropriate existing curricula.

5 ~~35-~~ 34. Prescribe and enforce policies and procedures:

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

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

25 ~~36-~~ 35. Allow the possession and self-administration of prescription
26 medication for breathing disorders in handheld inhaler devices by pupils who
27 have been prescribed that medication by a health care professional licensed
28 pursuant to title 32. The pupil's name on the prescription label on the
29 medication container or on the handheld inhaler device and annual written
30 documentation from the pupil's parent or guardian to the school that
31 authorizes possession and self-administration shall be sufficient proof that
32 the pupil is entitled to the possession and self-administration of the
33 medication. A school district and its employees are immune from civil
34 liability with respect to all decisions made and actions taken that are based
35 on a good faith implementation of the requirements of this paragraph.

36 ~~37-~~ 36. Prescribe and enforce policies and procedures to prohibit
37 pupils from harassing, intimidating and bullying other pupils on school
38 grounds, on school property, on school buses, at school bus stops, at
39 school-sponsored events and activities and through the use of electronic
40 technology or electronic communication on school computers, networks, forums
41 and mailing lists that include the following components:

42 (a) A procedure for pupils, parents and school district employees to
43 confidentially report to school officials incidents of harassment,
44 intimidation or bullying. The school shall make available written forms

1 designed to provide a full and detailed description of the incident and any
2 other relevant information about the incident.

3 (b) A requirement that school district employees report in writing
4 suspected incidents of harassment, intimidation or bullying to the
5 appropriate school official and a description of appropriate disciplinary
6 procedures for employees who fail to report suspected incidents that are
7 known to the employee.

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

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

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

26 (f) A formal process for the investigation by the appropriate school
27 officials of suspected incidents of harassment, intimidation or bullying,
28 including procedures for notifying the alleged victim on completion and
29 disposition of the investigation.

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

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

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

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

39 ~~38-~~ 37. Prescribe and enforce policies and procedures regarding
40 changing or adopting attendance boundaries that include the following
41 components:

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

44 (b) A procedure to notify the parents or guardians of the students
45 affected.

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

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

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

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

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

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

18 ~~39.~~ 38. If the state board of education determines that the school
19 district has committed an overexpenditure as defined in section 15-107,
20 provide a copy of the fiscal management report submitted pursuant to section
21 15-107, subsection H on its website and make copies available to the public
22 on request. The school district shall comply with a request within five
23 business days after receipt.

24 ~~40.~~ 39. Ensure that the contract for the superintendent is structured
25 in a manner in which up to twenty ~~per-cent~~ PERCENT of the total annual salary
26 included for the superintendent in the contract is classified as performance
27 pay. This paragraph shall not be construed to require school districts to
28 increase total compensation for superintendents. Unless the school district
29 governing board votes to implement an alternative procedure at a public
30 meeting called for this purpose, the performance pay portion of the
31 superintendent's total annual compensation shall be determined as follows:

32 (a) Twenty-five ~~per-cent~~ PERCENT of the performance pay shall be
33 determined based on the percentage of academic gain determined by the
34 department of education of pupils who are enrolled in the school district
35 compared to the academic gain achieved by the highest ranking of the fifty
36 largest school districts in this state. For the purposes of this
37 subdivision, the department of education shall determine academic gain by the
38 academic growth achieved by each pupil who has been enrolled at the same
39 school in a school district for at least five consecutive months measured
40 against that pupil's academic results in the 2008-2009 school year. For the
41 purposes of this subdivision, of the fifty largest school districts in this
42 state, the school district with pupils who demonstrate the highest statewide
43 percentage of overall academic gain measured against academic results for the
44 2008-2009 school year shall be assigned a score of 100 and the school
45 district with pupils who demonstrate the lowest statewide percentage of

1 overall academic gain measured against academic results for the 2008-2009
2 school year shall be assigned a score of 0.

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

- 14 (i) A letter grade of "A" if the school district is excellent.
- 15 (ii) A letter grade of "B" if the school district is above average.
- 16 (iii) A letter grade of "C" if the school district is average.
- 17 (iv) A letter grade of "D" if the school district is below average.
- 18 (v) A letter grade of "F" if the school district is a failure.

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

- 30 (i) A letter grade of "A" if the school district is excellent.
- 31 (ii) A letter grade of "B" if the school district is above average.
- 32 (iii) A letter grade of "C" if the school district is average.
- 33 (iv) A letter grade of "D" if the school district is below average.
- 34 (v) A letter grade of "F" if the school district is a failure.

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

37 ~~41-~~ 40. Maintain and store permanent public records of the school
38 district as required by law. Notwithstanding section 39-101, the standards
39 adopted by the Arizona state library, archives and public records for the
40 maintenance and storage of school district public records shall allow school
41 districts to elect to satisfy the requirements of this paragraph by
42 maintaining and storing these records either on paper or in an electronic
43 format, or a combination of a paper and electronic format.

44 ~~42-~~ 41. Adopt in a public meeting and implement by school year
45 2013-2014 policies for principal evaluations. Before the adoption of

1 principal evaluation policies, the school district governing board shall
2 provide opportunities for public discussion on the proposed policies. The
3 policies shall describe:

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

7 (b) Alignment of professional development opportunities to the
8 principal evaluations.

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

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

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

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

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

24 B. Notwithstanding subsection A, paragraphs 7, 9 and 11 of this
25 section, the county school superintendent may construct, improve and furnish
26 school buildings or purchase or sell school sites in the conduct of an
27 accommodation school.

28 C. If any school district acquires real or personal property, whether
29 by purchase, exchange, condemnation, gift or otherwise, the governing board
30 shall pay to the county treasurer any taxes on the property that were unpaid
31 as of the date of acquisition, including penalties and interest. The lien
32 for unpaid delinquent taxes, penalties and interest on property acquired by a
33 school district:

34 1. Is not abated, extinguished, discharged or merged in the title to
35 the property.

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

37 D. The governing board may not locate a school on property that is
38 less than one-fourth mile from agricultural land regulated pursuant to
39 section 3-365, except that the owner of the agricultural land may agree to
40 comply with the buffer zone requirements of section 3-365. If the owner
41 agrees in writing to comply with the buffer zone requirements and records the
42 agreement in the office of the county recorder as a restrictive covenant
43 running with the title to the land, the school district may locate a school
44 within the affected buffer zone. The agreement may include any stipulations
45 regarding the school, including conditions for future expansion of the school

1 and changes in the operational status of the school that will result in a
2 breach of the agreement.

3 E. A school district, its governing board members, its school council
4 members and its employees are immune from civil liability for the
5 consequences of adoption and implementation of policies and procedures
6 pursuant to subsection A of this section and section 15-342. This waiver
7 does not apply if the school district, its governing board members, its
8 school council members or its employees are guilty of gross negligence or
9 intentional misconduct.

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

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

31 H. Subsections C through G of this section apply to a county board of
32 supervisors and a county school superintendent when operating and
33 administering an accommodation school.

34 Sec. 6. Repeal

35 Sections 15-349 and 15-353, Arizona Revised Statutes, are repealed.

36 Sec. 7. Section 15-393, Arizona Revised Statutes, is amended to read:

37 15-393. Joint technical education district governing board;
38 report; definitions

39 A. The management and control of the joint district are vested in the
40 joint technical education district governing board, including the content and
41 quality of the courses offered by the district, the quality of teachers who
42 provide instruction on behalf of the district, the salaries of teachers who
43 provide instruction on behalf of the district and the reimbursement of other
44 entities for the facilities used by the district. Unless the governing
45 boards of the school districts participating in the formation of the joint

1 district vote to implement an alternative election system as provided in
2 subsection B of this section, the joint board shall consist of five members
3 elected from five single member districts formed within the joint district.
4 The single member district election system shall be submitted as part of the
5 plan for the joint district pursuant to section 15-392 and shall be
6 established in the plan as follows:

7 1. The governing boards of the school districts participating in the
8 formation of the joint district shall define the boundaries of the single
9 member districts so that the single member districts are as nearly equal in
10 population as is practicable, except that if the joint district lies in part
11 in each of two or more counties, at least one single member district may be
12 entirely within each of the counties comprising the joint district if this
13 district design is consistent with the obligation to equalize the population
14 among single member districts.

15 2. The boundaries of each single member district shall follow election
16 precinct boundary lines, as far as practicable, in order to avoid further
17 segmentation of the precincts.

18 3. A person who is a registered voter of this state and who is a
19 resident of the single member district is eligible for election to the office
20 of joint board member from the single member district. The terms of office
21 of the members of the joint board shall be as prescribed in section 15-427,
22 subsection B. An employee of a joint technical education district or the
23 spouse of an employee shall not hold membership on a governing board of a
24 joint technical education district by which the employee is employed. A
25 member of one school district governing board or joint technical education
26 district governing board is ineligible to be a candidate for nomination or
27 election to or serve simultaneously as a member of any other governing board,
28 except that a member of a governing board may be a candidate for nomination
29 or election for any other governing board if the member is serving in the
30 last year of a term of office. A member of a governing board shall resign
31 the member's seat on the governing board before becoming a candidate for
32 nomination or election to the governing board of any other school district or
33 joint technical education district, unless the member of the governing board
34 is serving in the last year of a term of office.

35 4. Nominating petitions shall be signed by the number of qualified
36 electors of the single member district as provided in section 16-322.

37 B. The governing boards of the school districts participating in the
38 formation of the joint district may vote to implement any other alternative
39 election system for the election of joint district board members. If an
40 alternative election system is selected, it shall be submitted as part of the
41 plan for the joint district pursuant to section 15-392, and the
42 implementation of the system shall be as approved by the United States
43 justice department.

44 C. The joint technical education district shall be subject to the
45 following provisions of this title:

- 1 1. Chapter 1, articles 1 through 6.
- 2 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 3 3. Articles 2, 3 and 5 of this chapter.
- 4 4. Section 15-361.
- 5 5. Chapter 4, articles 1, 2 and 5.
- 6 6. Chapter 5, articles 1, 2 and 3.
- 7 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
- 8 and 15-730.
- 9 8. Chapter 7, article 5.
- 10 9. Chapter 8, articles 1, 3 and 4.
- 11 10. Sections 15-828 and 15-829.
- 12 11. Chapter 9, article 1, article 6, except for section 15-995, and
- 13 article 7.
- 14 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.
- 15 13. Sections 15-1101 and 15-1104.
- 16 14. Chapter 10, articles 2, 3, 4 and 8.
- 17 D. Notwithstanding subsection C of this section, the following apply
- 18 to a joint technical education district:
- 19 1. A joint district may issue bonds for the purposes specified in
- 20 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
- 21 aggregate, including the existing indebtedness, not exceeding one percent of
- 22 the taxable property used for secondary tax purposes, as determined pursuant
- 23 to title 42, chapter 15, article 1, within the joint technical education
- 24 district as ascertained by the last property tax assessment previous to
- 25 issuing the bonds.
- 26 2. The number of governing board members for a joint district shall be
- 27 as prescribed in subsection A of this section.
- 28 3. The student count for the first year of operation of a joint
- 29 technical education district as provided in this article shall be determined
- 30 as follows:
- 31 (a) Determine the estimated student count for joint district classes
- 32 that will operate in the first year of operation. This estimate shall be
- 33 based on actual registration of pupils as of March 30 scheduled to attend
- 34 classes that will be operated by the joint district. The student count for
- 35 the district of residence of the pupils registered at the joint district
- 36 shall be adjusted. The adjustment shall cause the district of residence to
- 37 reduce the student count for the pupil to reflect the courses to be taken at
- 38 the joint district. The district of residence shall review and approve the
- 39 adjustment of its own student count as provided in this subdivision before
- 40 the pupils from the school district can be added to the student count of the
- 41 joint district.
- 42 (b) The student count for the new joint district shall be the student
- 43 count as determined in subdivision (a) of this paragraph.
- 44 (c) For the first year of operation, the joint district shall revise
- 45 the student count to the actual average daily membership as prescribed in

1 section 15-901, subsection A, paragraph 1 for students attending classes in
 2 the joint district. A joint district shall revise its student count, the
 3 base support level as provided in section 15-943.02, the revenue control
 4 limit as provided in section 15-944.01 and the district additional assistance
 5 as provided in section 15-962.01 prior to May 15. A joint district that
 6 overestimated its student count shall revise its budget prior to May 15. A
 7 joint district that underestimated its student count may revise its budget
 8 prior to May 15.

9 (d) After March 15 of the first year of operation, the district of
 10 residence shall adjust its student count by reducing it to reflect the
 11 courses actually taken at the joint district. The district of residence
 12 shall revise its student count, the base support level as provided in section
 13 15-943, the revenue control limit as provided in section 15-944 and the
 14 district additional assistance as provided in section 15-962.01 prior to
 15 May 15. A district that underestimated the student count for students
 16 attending the joint district shall revise its budget prior to May 15. A
 17 district that overestimated the student count for students attending the
 18 joint district may revise its budget prior to May 15.

19 (e) A joint district for the first year of operation shall not be
 20 eligible for adjustment pursuant to section 15-948.

21 (f) The procedures for implementing this paragraph shall be as
 22 prescribed in the uniform system of financial records.

23 (g) Pupils in an approved joint technical education district
 24 centralized program may generate an average daily membership of 1.0 during
 25 any day of the week and at any time between July 1 and June 30 of each fiscal
 26 year.

27 For the purposes of this paragraph, "district of residence" means the
 28 district that included the pupil in its average daily membership for the year
 29 before the first year of operation of the joint district and that would have
 30 included the pupil in its student count for the purposes of computing its
 31 base support level for the fiscal year of the first year of operation of the
 32 joint district if the pupil had not enrolled in the joint district.

33 4. A student includes any person enrolled in the joint district
 34 without regard to the person's age or high school graduation status, except
 35 that:

36 (a) A student in a kindergarten program or in grades one through nine
 37 who enrolls in courses offered by the joint technical education district
 38 shall not be included in the joint district's student count or average daily
 39 membership.

40 (b) A student in a kindergarten program or in grades one through nine
 41 who is enrolled in career and technical education courses shall not be funded
 42 in whole or in part with monies provided by a joint technical education
 43 district, except that a pupil in grade eight or nine may be funded with
 44 monies generated by the five cent qualifying tax rate authorized in
 45 subsection F of this section.

1 (c) A student who is over twenty-one years of age shall not be
2 included in the student count of the joint district for the purposes of
3 chapter 9, articles 3, 4 and 5 of this title.

4 5. A joint district may operate for more than one hundred eighty days
5 per year, with expanded hours of service.

6 6. A joint district may use the carryforward provisions of section
7 15-943.01.

8 7. A school district that is part of a joint district shall use any
9 monies received pursuant to this article to supplement and not supplant base
10 year career and technical education courses, and directly related equipment
11 and facilities, except that a school district that is part of a joint
12 technical education district and that has used monies received pursuant to
13 this article to supplant career and technical education courses that were
14 offered before the first year that the school district participated in the
15 joint district or the first year that the school district used monies
16 received pursuant to this article or that used the monies for purposes other
17 than for career and technical education courses shall use one hundred percent
18 of the monies received pursuant to this article to supplement and not
19 supplant base year career and technical education courses.

20 8. A joint technical education district shall use any monies received
21 pursuant to this article to enhance and not supplant career and technical
22 education courses and directly related equipment and facilities.

23 9. A joint technical education district or a school district that is
24 part of a joint district or a charter school shall only include pupils in
25 grades ten through twelve in the calculation of student count or average
26 daily membership if the pupils are enrolled in courses that are approved
27 jointly by the governing board of the joint technical education district and
28 each participating school district or charter school for satellite courses
29 taught within the participating school district or charter school, or
30 approved solely by the joint technical education district for centrally
31 located courses. Student count and average daily membership from courses
32 that are not part of an approved program for career and technical education
33 shall not be included in student count and average daily membership of a
34 joint technical education district.

35 E. The joint board shall appoint a superintendent as the executive
36 officer of the joint district.

37 F. Taxes may be levied for the support of the joint district as
38 prescribed in chapter 9, article 6 of this title, except that a joint
39 technical education district shall not levy a property tax pursuant to law
40 that exceeds five cents per one hundred dollars assessed valuation except for
41 bond monies pursuant to subsection D, paragraph 1 of this section. Except
42 for the taxes levied pursuant to section 15-994, such taxes shall be obtained
43 from a levy of taxes on the taxable property used for secondary tax purposes.

44 G. The schools in the joint district are available to all persons who
45 reside in the joint district and to pupils whose district of residence within

1 this state is paying tuition on behalf of the pupils to a district of
2 attendance that is a member of the joint technical education district,
3 subject to the rules for admission prescribed by the joint board.

4 H. The joint board may collect tuition for adult students and the
5 attendance of pupils who are residents of school districts that are not
6 participating in the joint district pursuant to arrangements made between the
7 governing board of the district and the joint board.

8 I. The joint board may accept gifts, grants, federal monies, tuition
9 and other allocations of monies to erect, repair and equip buildings and for
10 the cost of operation of the schools of the joint district.

11 J. One member of the joint board shall be selected chairman. The
12 chairman shall be selected annually on a rotation basis from among the
13 participating school districts. The chairman of the joint board shall be a
14 voting member.

15 K. A joint board and a community college district may enter into
16 agreements for the provision of administrative, operational and educational
17 services and facilities.

18 L. Any agreement between the governing board of a joint technical
19 education district and another joint technical education district, a school
20 district, a charter school or a community college district shall be in the
21 form of an intergovernmental agreement or other written contract. The
22 auditor general shall modify the uniform system of financial records and
23 budget forms in accordance with this subsection. The intergovernmental
24 agreement or other written contract shall completely and accurately specify
25 each of the following:

26 1. The financial provisions of the intergovernmental agreement or
27 other written contract and the format for the billing of all services.

28 2. The accountability provisions of the intergovernmental agreement or
29 other written contract.

30 3. The responsibilities of each joint technical education district,
31 each school district, each charter school and each community college district
32 that is a party to the intergovernmental agreement or other written contract.

33 4. The type of instruction that will be provided under the
34 intergovernmental agreement or other written contract, including
35 individualized education programs pursuant to section 15-763.

36 5. The quality of the instruction that will be provided under the
37 intergovernmental agreement or other written contract.

38 6. The transportation services that will be provided under the
39 intergovernmental agreement or other written contract and the manner in which
40 transportation costs will be paid.

41 7. The amount that the joint technical education district will
42 contribute to a course and the amount of support required by the school
43 district or the community college.

1 8. That the services provided by the joint technical education
2 district, the school district, the charter school or the community college
3 district be proportionally calculated in the cost of delivering the service.

4 9. That the payment for services shall not exceed the cost of the
5 services provided.

6 ~~M. On or before December 31 of each year, each joint technical
7 education district shall submit a detailed report to the career and technical
8 education division of the department of education. The career and technical
9 education division of the department of education shall collect, summarize
10 and analyze the data submitted by the joint districts, shall submit an annual
11 report that summarizes the data submitted by the joint districts to the
12 governor, the speaker of the house of representatives, the president of the
13 senate and the state board of education and shall submit a copy of this
14 report to the secretary of state. The data submitted by each joint technical
15 education district shall include the following:~~

- 16 ~~1. The average daily membership of the joint district.~~
- 17 ~~2. The program listings and program descriptions of programs offered
18 by the joint district, including the course sequences for each program.~~
- 19 ~~3. The costs associated with each program offered by the joint
20 district.~~
- 21 ~~4. The completion rate for each program offered by the joint district.
22 For the purposes of this paragraph, "completion rate" means the completion
23 rate for students who are designated as concentrators in that program by the
24 department of education under the career and technology approved plan.~~
- 25 ~~5. The graduation rate from the school district of residence of
26 students who have completed a program in the joint district.~~
- 27 ~~6. A detailed description of the career opportunities available to
28 students after completion of the program offered by the joint district.~~
- 29 ~~7. A detailed description of the career placement of students who have
30 completed the program offered by the joint district.~~
- 31 ~~8. Any other data deemed necessary by the department of education to
32 carry out its duties under this subsection.~~

33 ~~N.~~ M. If the career and technical education division of the
34 department of education determines that a course does not meet the criteria
35 for approval as a joint technical education course, the governing board of
36 the joint technical education district may appeal this decision to the state
37 board of education acting as the state board of vocational education.

38 ~~Q.~~ N. Notwithstanding any other law, the average daily membership for
39 a pupil who is enrolled in a joint technical education course defined in
40 section 15-391 and who does not meet the criteria specified in subsection ~~Q-~~
41 ~~P~~ or ~~R-~~ Q of this section shall be 0.25 for each course, except the sum of
42 the average daily membership shall not exceed the limits prescribed by
43 subsection D, ~~Q-~~ P or ~~R-~~ Q of this section, as applicable.

44 ~~P.~~ O. If a career and technical education course or program is
45 provided on a satellite campus, the sum of the average daily membership, as

1 provided in section 15-901, subsection A, paragraph 1, for that pupil in the
2 school district or charter school and joint technical education district
3 shall not exceed 1.25. The school district or charter school and the joint
4 district shall determine the apportionment of the average daily membership
5 for that pupil between the school district or charter school and the joint
6 district. A pupil who attends a course or program at a satellite campus and
7 who is not enrolled in the school district or charter school where the
8 satellite campus is located may generate the average daily membership
9 pursuant to this subsection if the pupil is enrolled in a school district
10 that is a member district in the same joint technical education district.

11 ~~Q.~~ P. The sum of the average daily membership of a pupil who is
12 enrolled in both the school district and joint technical education district
13 course or program provided at a community college pursuant to subsection K of
14 this section or at a centralized campus shall not exceed 1.75. The member
15 school district and the joint district shall determine the apportionment of
16 the average daily membership and student enrollment for that pupil between
17 the member school district and the joint district, except that the amount
18 apportioned shall not exceed 1.0 for either entity. Notwithstanding any
19 other law, the average daily membership for a pupil in grade ten, eleven or
20 twelve who is enrolled in a course that meets for at least one hundred fifty
21 minutes per class period at a centralized campus shall be 0.75. To qualify
22 for funding pursuant to this subsection, a centralized campus shall offer
23 programs and courses to all eligible students in each member district of the
24 joint technical education district.

25 ~~R.~~ Q. The average daily membership for a pupil in grade ten, eleven
26 or twelve who is enrolled in a course that meets for at least one hundred
27 fifty minutes per class period at a leased centralized campus shall not
28 exceed 0.75. The sum of the average daily membership, as provided in section
29 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the
30 school district and in joint technical education district courses provided at
31 a leased centralized campus shall not exceed 1.75 if all of the following
32 conditions are met:

33 1. The course qualifies as a joint technical education course as
34 defined in section 15-391.

35 2. The course is offered to all eligible students in each member
36 district of the joint technical education district and enrolls students from
37 multiple high schools.

38 3. The joint technical education district program in which the course
39 is included addresses a specific industry need and has been developed in
40 cooperation with that industry, or the leased facility is a state or federal
41 asset that would otherwise be unused or underutilized.

42 4. The lease is established at fair market value if the lease is
43 executed for a facility located on the site of a member district and was
44 approved by the joint committee on capital review, except that a lease that
45 was executed or renewed before December 31, 2012 is not subject to approval

1 by the joint committee on capital review. The requirement prescribed in this
2 paragraph does not apply from and after December 31, 2016.

3 ~~S.~~ R. A student who is enrolled in an accommodation school as defined
4 in section 15-101 may be treated as a student of the school district in which
5 the student physically resides for the purposes of enrollment in a joint
6 technical education district and shall be included in the calculation of
7 average daily membership for either the joint technical education district or
8 the accommodation school, or both.

9 ~~T.~~ S. Notwithstanding any other law, the student count for a joint
10 technical education district shall be equivalent to the joint technical
11 education district's average daily membership.

12 ~~U.~~ T. Beginning in fiscal year 2016-2017, base support level funding
13 that a school district or charter school receives for a pupil who is enrolled
14 in both a school district or charter school and a joint technical education
15 district satellite campus program shall be funded at ninety-two and one-half
16 percent of the base support level funding that the school district or charter
17 school would otherwise receive for that pupil.

18 ~~V.~~ U. Beginning in fiscal year 2016-2017, base support level funding
19 that a joint technical education district receives for a pupil who is
20 enrolled in both a school district or charter school and a joint technical
21 education district shall be funded at ninety-two and one-half percent of the
22 base support level funding that the joint technical education district would
23 otherwise receive for that pupil.

24 ~~W.~~ V. A school district may not prohibit or discourage students who
25 are enrolled in that school district from attending courses offered by a
26 joint technical education district.

27 ~~X.~~ W. Notwithstanding subsection D, paragraph 7 of this section, a
28 school district or charter school that experiences a reduction in its base
29 support level funding pursuant to subsection ~~U~~ T of this section may use a
30 portion of joint technical education district monies that it receives
31 pursuant to this section in order to offset the loss of regular education
32 funding that it experiences pursuant to subsection ~~U~~ T of this section. The
33 amount of joint technical education monies that the school district or
34 charter school may use to offset the loss of funding that it experiences
35 pursuant to subsection ~~U~~ T of this section may not exceed the reduction in
36 base support level funding that it experiences pursuant to subsection ~~U~~ T of
37 this section.

38 ~~Y.~~ X. The governing board of the joint technical education district
39 may contract with any charter school that is located within the boundaries of
40 the joint technical education district to allow that charter school to offer
41 career and technical education courses or programs as a satellite campus.

42 ~~Z.~~ Y. For the purposes of this section:

43 1. "Base year" means the complete school year in which voters of a
44 school district elected to join a joint technical education district.

1 2. "Centralized campus" means a facility that is owned and operated by
2 a joint technical education district for the purpose of offering joint
3 technical education programs or joint technical education courses as defined
4 in section 15-391.

5 3. "Lease" means a written agreement in which the right of occupancy
6 or use of real property is conveyed from one person or entity to another
7 person or entity for a specified period of time.

8 4. "Leased centralized campus" means a facility that is leased and
9 operated by a joint technical education district for the purpose of offering
10 joint technical education programs or joint technical education courses as
11 defined in section 15-391.

12 5. "Satellite campus" means a facility that is owned or operated by a
13 school district or charter school for the purpose of offering joint technical
14 education programs or joint technical education courses as defined in section
15 15-391.

16 Sec. 8. Repeal

17 A. Section 15-505, Arizona Revised Statutes, is repealed.

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

20 Sec. 9. Section 15-903, Arizona Revised Statutes, is amended to read:

21 15-903. Budget format; prohibited expenditures

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

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

42 C. The capital outlay section of the budget shall include a subsection
43 for unrestricted capital outlay. The unrestricted capital outlay subsection
44 shall include budgeted expenditures for acquisitions by purchase,

1 lease-purchase or lease of capital items as defined in the uniform system of
2 financial records and shall include:

- 3 1. Land, buildings and improvements to land and buildings, including
4 labor and related employee benefits costs and material costs if work is
5 performed by school district employees.
- 6 2. Furniture, furnishings, athletic equipment and other equipment,
7 including computer software.
- 8 3. Pupil and nonpupil transportation vehicles and equipment, including
9 all capital expenditures within a contract if the school district contracts
10 for pupil transportation.
- 11 4. Textbooks and related printed subject matter materials adopted by
12 the governing board.
- 13 5. Instructional aids.
- 14 6. Library books.
- 15 7. Payment of principal and interest on bonds.
- 16 8. School district administration emergency needs that are directly
17 related to pupils.

18 D. The budget format shall contain distinct subsections for the
19 following:

- 20 1. Special programs to improve academic achievement of pupils in
21 kindergarten programs and grades one through three as provided in section
22 15-482.
- 23 2. School plant funds.
- 24 3. Capital outlay budget increases as provided in section 15-481.
- 25 4. Property taxation, including the following:
 - 26 (a) The primary tax rates for the school district for the current year
27 and the budget year.
 - 28 (b) The secondary tax rates for maintenance and operation, K-3 and
29 capital overrides for the school district for the current year and the budget
30 year.
 - 31 (c) The secondary tax rates for class A bonds for the school district
32 for the current year and the budget year.
 - 33 (d) The secondary tax rates for class B bonds for the school district
34 for the current year and the budget year.
- 35 5. A description of any corrections or adjustments made to the budget
36 pursuant to section 15-915.

37 E. The budget format shall also contain:

- 38 1. A statement identifying proposed pupil-teacher ratios and
39 pupil-staff ratios relating to the provision of special education services
40 for the budget year.
- 41 2. A statement identifying the number of full-time equivalent
42 certified employees.

43 F. The special projects section shall include budgeted expenditures
44 for state special projects, including special adult projects, career
45 education, deficiencies correction fund projects and new school facilities

1 fund projects, such federal special projects as ESEA title programs,
2 vocational education and title IV Indian education, and other special
3 projects.

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

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

11 Sec. 10. Subject to the requirements of article IV, part 1, section 1,
12 Constitution of Arizona, section 15-910, Arizona Revised Statutes, is amended
13 to read:

14 15-910. School district budgets; desegregation costs; tuition
15 costs for bond issues; costs for registering
16 warrants; report

17 ~~A. The governing board may budget for the district's excess utility~~
18 ~~costs which are specifically exempt from the district's revenue control~~
19 ~~limit. If approved by the qualified electors voting at a statewide general~~
20 ~~election, the exemption from the revenue control limit under this subsection~~
21 ~~expires at the end of the 2008-2009 budget year. The uniform system of~~
22 ~~financial records shall specify expenditure items allowable as excess utility~~
23 ~~costs, which are limited to direct operational costs of heating, cooling,~~
24 ~~water and electricity, telephone communications and sanitation fees. The~~
25 ~~department of education and the auditor general shall include in the~~
26 ~~maintenance and operation section of the budget format, as provided in~~
27 ~~section 15-903, a separate line for utility expenditures and a special excess~~
28 ~~utility cost category. The special excess utility cost category shall~~
29 ~~contain budgeted expenditures for excess utility costs, determined as~~
30 ~~follows:~~

31 ~~1. Determine the lesser of the total budgeted or total actual utility~~
32 ~~expenditures for fiscal year 1984-1985.~~

33 ~~2. Multiply the amount in paragraph 1 of this subsection by the total~~
34 ~~percentage increase or decrease in the revenue control limit and the capital~~
35 ~~outlay revenue limit for the budget year over the revenue control limit and~~
36 ~~the capital outlay revenue limit for fiscal year 1984-1985 excluding monies~~
37 ~~available from a career ladder program or a teacher compensation program~~
38 ~~provided for in section 15-952.~~

39 ~~3. The sum of the amounts in paragraphs 1 and 2 of this subsection is~~
40 ~~the amount budgeted in the utility expenditure line.~~

41 ~~4. Additional expenditures for utilities are budgeted in the excess~~
42 ~~utility cost category.~~

43 ~~B. The governing board shall apply the same percentage increase or~~
44 ~~decrease allowed in the revenue control limit and the capital outlay revenue~~

1 ~~limit as provided in section 15-905, subsection E or section 15-948 to the~~
2 ~~utility expenditure line of the budget.~~

3 ~~C. The governing board may expend from the excess utility cost~~
4 ~~category only after it has expended for utility purposes the full amount~~
5 ~~budgeted in the utility expenditure line of the budget.~~

6 ~~D. The governing board, after notice is given and a public meeting is~~
7 ~~held as provided in section 15-905, subsection D, may revise at any time~~
8 ~~before May 15 the amount budgeted in the excess utility cost category for the~~
9 ~~current year. Not later than May 18, the budget as revised shall be~~
10 ~~submitted electronically to the superintendent of public instruction.~~

11 ~~E. If the revised excess utility cost category results in an~~
12 ~~expenditure of monies in excess of school district revenues for the current~~
13 ~~year, the county school superintendent shall include within the revenue~~
14 ~~estimate for the budget year monies necessary to meet the liabilities~~
15 ~~incurred by the school district in the current year in excess of revenues~~
16 ~~received for the current year.~~

17 ~~F. If a school district receives a refund of utility expenditures or a~~
18 ~~rebate on energy saving devices or services, the refund or rebate shall be~~
19 ~~applied against utility expenditures for the current year as a reduction of~~
20 ~~the expenditures, except that the reduction of expenditures shall not exceed~~
21 ~~the amount of actual utility expenditures.~~

22 ~~G.~~ A. The governing board may budget for expenses of complying with
23 or continuing to implement activities which were required or permitted by a
24 court order of desegregation or administrative agreement with the United
25 States department of education office for civil rights directed toward
26 remediating alleged or proven racial discrimination which are specifically
27 exempt in whole or in part from the revenue control limit and district
28 additional assistance. This exemption applies only to expenses incurred for
29 activities which are begun before the termination of the court order or
30 administrative agreement. If a district is levying a primary property tax on
31 February 23, 2006 and using those monies to administer an English language
32 learner program to remedy alleged or proven discrimination under title VI of
33 the civil rights act of 1964 (42 United States Code section 2000d), the
34 district may spend those monies to remedy a violation of the equal education
35 act of 1974 (20 United States Code section 1703(f)). Nothing in this
36 subsection allows a school district to levy a primary property tax for
37 violations of the equal education act of 1974 (20 United States Code section
38 1703(f)) in the absence of an alleged or proven discrimination under title VI
39 of the civil rights act of 1964 (42 United States Code section 2000d).

40 ~~H.~~ B. If a governing board chooses to budget monies outside of the
41 revenue control limit as provided in subsection ~~G.~~ A of this section, the
42 governing board may do one of the following:

43 1. Use monies from the maintenance and operation fund equal to any
44 excess desegregation or compliance expenses beyond the revenue control limit
45 before June 30 of the current year.

1 2. Notify the county school superintendent to include the cost of the
2 excess expenses in the county school superintendent's estimate of the
3 additional amount needed for the school district from the primary property
4 tax as provided in section 15-991.

5 3. Employ the provisions of both paragraphs 1 and 2 of this
6 subsection, provided that the total amount transferred and included in the
7 amount needed from property taxes does not exceed the total amount budgeted
8 as prescribed in subsection ~~J~~ D, paragraph 1 of this section.

9 ~~I~~ C. If a governing board chooses to budget monies outside of
10 district additional assistance as provided in subsection ~~G~~ A of this
11 section, the governing board may notify the county school superintendent to
12 include the cost of the excess expenses in the county school superintendent's
13 estimate of the additional amount needed for the school district from the
14 primary property tax as provided in section 15-991.

15 ~~J~~ D. A governing board using subsections ~~G, H and I~~ A, B AND C of
16 this section:

17 1. Shall prepare and employ a separate maintenance and operation
18 desegregation budget and capital outlay desegregation budget on a form
19 prescribed by the superintendent of public instruction in conjunction with
20 the auditor general. The budget format shall be designed to allow a school
21 district to plan and provide in detail for expenditures to be incurred solely
22 as a result of compliance with or continuing to implement activities which
23 were required or permitted by a court order of desegregation or
24 administrative agreement with the United States department of education
25 office for civil rights directed toward remediating alleged or proven racial
26 discrimination.

27 2. Shall prepare as a part of the annual financial report a detailed
28 report of expenditures incurred solely as a result of compliance with or
29 continuing to implement activities which were required or permitted by a
30 court order of desegregation or administrative agreement with the United
31 States department of education office for civil rights directed toward
32 remediating alleged or proven racial discrimination, in a format prescribed
33 by the auditor general in conjunction with the Arizona department of
34 education as provided by section 15-904.

35 3. On or before July 15, ~~2006 and~~ each year ~~thereafter~~, shall collect
36 and report data regarding activities related to a court order of
37 desegregation or an administrative agreement with the United States
38 department of education office for civil rights directed toward remediating
39 alleged or proven racial discrimination in a format prescribed by the Arizona
40 department of education. The department shall compile and submit copies of
41 the reports to the governor, the president of the senate, the speaker of the
42 house of representatives and the chairpersons of the education committees of
43 the senate and the house of representatives. A school district that becomes
44 subject to a new court order of desegregation or a party to an administrative
45 agreement with the United States department of education office for civil

1 rights directed toward remediating alleged or proven racial discrimination
2 shall submit these reports on or before July 15 or within ninety days of the
3 date of the court order or administrative agreement, whichever occurs first.
4 The Arizona department of education, in consultation with the auditor
5 general, shall develop reporting requirements to ensure that school districts
6 submit at least the following information and documentation to the Arizona
7 department of education ~~beginning in fiscal year 2006-2007:~~

8 (a) A district-wide budget summary and a budget summary on a school by
9 school basis for each school in the school district that lists the sources
10 and uses of monies that are designated for desegregation purposes.

11 (b) A detailed list of desegregation activities on a district-wide
12 basis and on a school by school basis for each school in the school district.

13 (c) The date that the school district was determined to be out of
14 compliance with title VI of the civil rights act of 1964 (42 United States
15 Code section 2000d) and the basis for that determination.

16 (d) The initial date that the school district began to levy property
17 taxes to provide funding for desegregation expenses and any dates that these
18 property tax levies were increased.

19 (e) If applicable, a current and accurate description of all magnet
20 type programs that are in operation pursuant to the court order during the
21 current school year on a district-wide basis and on a school by school basis.
22 This information shall contain the eligibility and attendance criteria of
23 each magnet type program, the capacity of each magnet type program, the
24 ethnic composition goals of each magnet type program, the actual attending
25 ethnic composition of each magnet type program and the specific activities
26 offered in each magnet type program.

27 (f) The number of pupils who participate in desegregation activities
28 on a district-wide basis and on a school by school basis for each school in
29 the school district.

30 (g) A detailed summary of the academic achievement of pupils on a
31 district-wide basis and on a school by school basis for each school in the
32 school district.

33 (h) The number of employees, including teachers and administrative
34 personnel, on a district-wide basis and on a school by school basis for each
35 school in the school district that is necessary to conduct desegregation
36 activities.

37 (i) The number of employees, including teachers and administrative
38 personnel, on a district-wide basis and on a school by school basis for each
39 school in the school district and the number of employees at school district
40 administrative offices that are funded in whole or in part with desegregation
41 monies received pursuant to this section.

42 (j) The amount of monies that is not derived through a primary or
43 secondary property tax levy and that is budgeted and spent on desegregation
44 activities on a district-wide basis and on a school by school basis for each
45 school in the school district.

1 (k) Verification that the desegregation funding will supplement and
2 not supplant funding for other academic and extracurricular activities.

3 (l) Verification that the desegregation funding is educationally
4 justifiable.

5 (m) Any documentation that supports the proposition that the requested
6 desegregation funding is intended to result in equal education opportunities
7 for all pupils in the school district.

8 (n) Verification that the desegregation funding will be used to
9 promote systemic and organizational changes within the school district.

10 (o) Verification that the desegregation funding will be used in
11 accordance with the academic standards adopted by the state board of
12 education pursuant to sections 15-701 and 15-701.01.

13 (p) Verification that the desegregation funding will be used to
14 accomplish specific actions to remediate proven discrimination pursuant to
15 title VI of the civil rights act of 1964 (42 United States Code section
16 2000d) as specified in the court order or administrative agreement.

17 (q) An evaluation by the school district of the effectiveness of the
18 school district's desegregation measures.

19 (r) An estimate of when the school district will be in compliance with
20 the court order or administrative agreement and a detailed account of the
21 steps that the school district will take to achieve compliance.

22 (s) Any other information that the department of education deems
23 necessary to carry out the purposes of this paragraph.

24 ~~K~~ E. If a school district governing board budgets for expenses of
25 complying with a court order of desegregation or an administrative agreement
26 with the United States department of education office for civil rights
27 directed toward remediating alleged or proven racial discrimination, the
28 governing board shall ensure that the desegregation expenses will:

29 1. Be educationally justifiable.

30 2. Result in equal education opportunities for all pupils in the
31 school district.

32 3. Be used to promote systemic and organizational changes within the
33 school district.

34 4. Be used in accordance with the academic standards adopted by the
35 state board of education pursuant to sections 15-701 and 15-701.01.

36 5. Be used to accomplish specific actions to remediate proven
37 discrimination pursuant to title VI of the civil rights act of 1964 (42
38 United States Code section 2000d) as specified in the court order or
39 administrative agreement.

40 6. Be used in accordance with a plan submitted to the department of
41 education that includes an estimate of the amount of monies that will be
42 required to bring the school district into compliance with the court order or
43 administrative agreement and an estimate of when the school district will be
44 in compliance with the court order or administrative agreement.

1 7. ~~Beginning in fiscal year 2009-2010 and continuing each fiscal year~~
2 ~~thereafter.~~ Not exceed the amount budgeted by the school district for
3 desegregation expenses in fiscal year 2008-2009.

4 ~~L.~~ F. The governing board may budget for the bond issues portion of
5 the cost of tuition charged the district as provided in section 15-824 for
6 the pupils attending school in another school district, except that if the
7 district is a common school district not within a high school district, the
8 district may only include that part of tuition which is excluded from the
9 revenue control limit and district support level as provided in section
10 15-951. The bond issues portion of the cost of tuition charged is
11 specifically exempt from the revenue control limit of the school district of
12 residence, and the primary property tax rate set to fund this amount shall
13 not be included in the computation of additional state aid for education as
14 provided in section 15-972, except as provided in section 15-972,
15 subsection E. The department of education and the auditor general shall
16 include in the maintenance and operation section of the budget format, as
17 provided in section 15-903, a separate category for the bond issues portion
18 of the cost of tuition.

19 ~~M.~~ G. The governing board may budget for interest expenses it
20 incurred for registering warrants drawn against a fund of the school district
21 or net interest expense on tax anticipation notes as prescribed in section
22 35-465.05, subsection C for the fiscal year preceding the current year if the
23 county treasurer pooled all school district monies for investment as provided
24 in section 15-996 for the fiscal year preceding the current year and, in
25 those school districts that receive state aid, the school districts applied
26 for an apportionment of state aid before the date set for the apportionment
27 as provided in section 15-973 for the fiscal year preceding the current year.
28 The governing board may budget an amount for interest expenses for
29 registering warrants or issuing tax anticipation notes equal to or less than
30 the amount of the warrant interest expense or net interest expense on tax
31 anticipation notes as prescribed in section 35-465.05, subsection C for the
32 fiscal year preceding the current year as provided in this subsection which
33 is specifically exempt from the revenue control limit. For the purposes of
34 this subsection, "state aid" means state aid as determined in sections 15-971
35 and 15-972.

36 Sec. 11. Section 15-1103, Arizona Revised Statutes, is amended to
37 read:

38 15-1103. Insurance proceeds fund; disposition of proceeds

39 A. Monies received for and derived from insurance losses shall be
40 deposited with the county treasurer who shall credit the deposits to the
41 insurance proceeds fund of the respective school district. The insurance
42 proceeds fund of a school district is a continuing fund **THAT IS** not subject
43 to reversion.

44 B. The governing board, or the superintendent or chief administrative
45 officer with the approval of the governing board, may apply the proceeds from

1 insurance recoveries to the payment of any outstanding bonded indebtedness of
2 the school district that is payable from the levy of taxes on property within
3 the school district.

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

8 Sec. 12. Section 15-1107, Arizona Revised Statutes, is amended to
9 read:

10 15-1107. Litigation recovery fund; disposition of proceeds

11 A. Monies received for and derived from settlement of legal
12 controversies or from recovery of costs, attorney fees or damages by a school
13 district in litigation by or against the school district shall be deposited
14 with the county treasurer who shall credit the deposits to the litigation
15 recovery fund of the school district. The litigation recovery fund is a
16 continuing fund ~~which~~ THAT is not subject to reversion.

17 B. If a school district receives monies as provided in subsection A ~~OF~~
18 ~~THIS SECTION~~ for the purpose of replacing or repairing school buildings or
19 other school property, the governing board, or the superintendent or chief
20 administrative officer with the approval of the governing board, may only
21 apply the proceeds to:

22 1. Pay any outstanding bonded indebtedness of the school district
23 ~~which~~ THAT is payable from the levy of taxes on property within the school
24 district.

25 2. Construct, acquire, improve, repair or furnish school buildings
26 ~~after notice and a hearing~~.

27 3. Replace or repair the school property other than school buildings.

28 C. Except as provided in subsection B ~~OF THIS SECTION~~, the governing
29 board, or the superintendent or chief administrative officer with the
30 approval of the governing board, may apply the proceeds of litigation
31 recoveries to procure legal services or for the costs of litigation.

32 Sec. 13. Requirements for enactment; three-fourths vote

33 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
34 section 15-910, Arizona Revised Statutes, as amended by this act, is
35 effective only on the affirmative vote of at least three-fourths of the
36 members of each house of the legislature.

37 Sec. 14. Conforming legislation

38 The legislative council staff shall prepare proposed legislation
39 conforming the Arizona Revised Statutes to the provisions of this act for
40 consideration in the fifty-third legislature, first regular session.