SB 1263

Introduced by
Senators Crandall, Driggs; Representative Court: Senators Barto, Bundgaard, McComish, Nelson, Yarbrough

AN ACT

AMENDING SECTIONS 13-3311 AND 15-101, ARIZONA REVISED STATUTES; REPEALING SECTION 15-108, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-182 AND 15-183, ARIZONA REVISED STATUTES; AMENDING SECTION 15-185, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 8, SECTION 1 AND LAWS 2010, SECOND REGULAR SESSION, CHAPTER 17, SECTION 2, CHAPTER 306, SECTION 1, CHAPTER 332, SECTION 4 AND CHAPTER 333, SECTION 2; REPEALING SECTION 15-185, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 1; AMENDING SECTIONS 15-187, 15-213, 15-304, 15-341 AND 15-341.01, ARIZONA REVISED STATUTES; AMENDING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 9; AMENDING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 10; REPEALING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 117, SECTION 6; AMENDING SECTIONS 15-491, 15-756.02, 15-756.10, 15-914, 15-991, 15-2031, 41-4604 AND 43-1089.01, ARIZONA REVISED STATUTES; BLENDING MULTIPLE ENACTMENTS; RELATING TO THE ADMINISTRATION OF SCHOOL DISTRICTS AND CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
SB 1263

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

Section 1. Section 13-3311, Arizona Revised Statutes, is amended to read:

13-3311. Amusement gambling intellectual contests or events; registration; filing of rules; sworn statement; exceptions

A. Before any person conducts an amusement gambling intellectual contest or event pursuant to section 13-3301, paragraph 1, subdivision (d), item (iii), the person shall register with the attorney general's office. The registration shall include:

1. The name and address of the person conducting the contest or event.
2. The minimum dollar amount of all prizes to be awarded.
3. The duration of the event.
4. The statutory agent or person authorized to accept service of process in Arizona for the person conducting the contest or event.
5. All rules governing the contest or event, including the rules applicable in case of a tie.
6. The name and description of the product and the established purchase price for the product.

B. Within ten days following the award of all prizes in connection with an amusement gambling intellectual contest or event, the person conducting the contest or event shall file with the attorney general's office the names and addresses of all persons who have won prizes in connection with the contest or event.

C. For each amusement gambling intellectual contest or event held, the person conducting the event shall file with the attorney general's office a sworn statement under oath that no increment has been added to the established purchase price for the product in connection with the gambling event.

D. This section does not apply to organizations that have qualified for an exemption from taxation of income under section 43-1201, paragraph 1, 2, 4, 5, 6, 7, 10 or 11 OR TO ACADEMIC COMPETITIONS CONDUCTED BY SCHOOL DISTRICTS OR CHARTER SCHOOLS THAT AWARD CASH, PRIZES OR SCHOLARSHIPS TO PARTICIPANTS.

Sec. 2. Section 15-101, Arizona Revised Statutes, is amended to read:

15-101. Definitions

In this title, unless the context otherwise requires:

1. "Accommodation school" means either:

(a) A school which THAT is operated through the county board of supervisors and the county school superintendent and which THAT the county school superintendent administers to serve a military reservation or territory which THAT is not included within the boundaries of a school district.
(b) A school that provides educational services to homeless children or alternative education programs as provided in section 15-308, subsection B.

(c) A school that is established to serve a military reservation, the boundaries of which are coterminous with the boundaries of the military reservation on which the school is located.

2. "Assessed valuation" means the valuation derived by applying the applicable percentage as provided in title 42, chapter 15, article 1 to the full cash value or limited property value, whichever is applicable, of the property.

3. "Charter holder" means a person that enters into a charter with the state board for charter schools. For the purposes of this paragraph, "person" means an individual, partnership, corporation, association or public or private organization of any kind.

4. "Charter school" means a public school established by contract with a district governing board, the state board of education, the state board for charter schools, A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS, A COMMUNITY COLLEGE DISTRICT WITH ENROLLMENT OF MORE THAN FIFTEEN THOUSAND FULL-TIME EQUIVALENT STUDENTS OR A GROUP OF COMMUNITY COLLEGE DISTRICTS WITH A COMBINED ENROLLMENT OF MORE THAN FIFTEEN THOUSAND FULL-TIME EQUIVALENT STUDENTS pursuant to article 8 of this chapter to provide learning that will improve pupil achievement.

5. "Child with a disability" means a child with a disability as defined in section 15-761.

6. "Class A bonds" means general obligation bonds approved by a vote of the qualified electors of a school district at an election held on or before December 31, 1998.

7. "Class B bonds" means general obligation bonds approved by a vote of the qualified electors of a school district at an election held from and after December 31, 1998.

8. "Competency" means a demonstrated ability in a skill at a specified performance level.

9. "Course" means organized subject matter in which instruction is offered within a given period of time and for which credit toward promotion, graduation or certification is usually given. A course consists of knowledge selected from a subject for instructional purposes in the schools.

10. "Course of study" means a list of required and optional subjects to be taught in the schools.

11. "Dual enrollment course" means a college level course that is conducted on the campus of a high school or on the campus of a joint technical education district, that is applicable to an established community college academic degree or certificate program and that is transferable to a university under the jurisdiction of the Arizona board of regents. A dual enrollment course that is applicable to a community college occupational
degree or certificate program may be transferable to a university under the jurisdiction of the Arizona board of regents.

12. "Fiscal year" means the year beginning July 1 and ending June 30.

13. "Governing board" means a body organized for the government and management of the schools within a school district or a county school superintendent in the conduct of an accommodation school.

14. "Lease" means an agreement for conveyance and possession of real or personal property.

15. "Limited property value" means the value determined pursuant to title 42, chapter 13, article 7. Limited property value shall be used as the basis for assessing, fixing, determining and levying primary property taxes.

16. "Parent" means the natural or adoptive parent of a child or a person who has custody of a child.

17. "Person who has custody" means a parent or legal guardian of a child, a person to whom custody of the child has been given by order of a court or a person who stands in loco parentis to the child.

18. "Primary property taxes" means all ad valorem taxes except for secondary property taxes.

19. "Private school" means a nonpublic institution where instruction is imparted.

20. "School" means any public institution established for the purposes of offering instruction to pupils in programs for preschool children with disabilities, kindergarten programs or any combination of grades one through twelve.

21. "School district" means a political subdivision of this state with geographic boundaries organized for the purpose of the administration, support and maintenance of the public schools or an accommodation school.

22. "Secondary property taxes" means ad valorem taxes used to pay the principal of and the interest and redemption charges on any bonded indebtedness or other lawful long-term obligation issued or incurred for a specific purpose by a school district or a community college district and amounts levied pursuant to an election to exceed a budget, expenditure or tax limitation.

23. "Subject" means a division or field of organized knowledge, such as English or mathematics, or a selection from an organized body of knowledge for a course or teaching unit, such as the English novel or elementary algebra.

Sec. 3. Repeal
Section 15-108, Arizona Revised Statutes, is repealed.

Sec. 4. Section 15-182, Arizona Revised Statutes, is amended to read:
15-182. State board for charter schools; membership; terms; compensation; duties
A. The state board for charter schools is established consisting of the following members:
1. The superintendent of public instruction or the superintendent's
designee.
2. Six members of the general public, at least two of whom shall
reside in a school district where at least sixty per cent of the children who
attend school in the district meet the eligibility requirements established
under the national school lunch and child nutrition acts (42 United States
Code sections 1751 through 1785) for free lunches, and at least one of whom
shall reside on an Indian reservation, who are appointed by the governor
pursuant to section 38-211.
3. Two members of the business community who are appointed by the
governor pursuant to section 38-211.
4. A teacher who provides classroom instruction at a charter school
and who is appointed by the governor pursuant to section 38-211.
5. An operator of a charter school who is appointed by the governor
pursuant to section 38-211.
6. Three members of the legislature who shall serve as advisory
members and who are appointed jointly by the president of the senate and the
speaker of the house of representatives.

B. The superintendent of public instruction shall serve a term on the
state board for charter schools that runs concurrently with the
superintendent's term of office. The members appointed pursuant to
subsection A, paragraph 6 of this section shall serve two year terms on the
state board for charter schools that begin and end on the third Monday in
January and that run concurrently with their respective terms of office.
Members appointed pursuant to subsection A, paragraphs 2, 3, 4 and 5 of this
section shall serve staggered four year terms that begin and end on the third
Monday in January.

C. The state board for charter schools shall annually elect a
president and such other officers as it deems necessary from among its
membership.

D. Members of the state board for charter schools are not eligible to
receive compensation but are eligible for reimbursement of expenses pursuant
to title 38, chapter 4, article 2.

E. The state board for charter schools shall:
1. Exercise general supervision over charter schools sponsored by the
board and recommend legislation pertaining to charter schools to the
legislature.
2. Grant charter status to qualifying applicants for charter schools
pursuant to section 15-183.
3. Adopt and use an official seal in the authentication of its acts.
4. Keep a record of its proceedings.
5. Adopt rules for its own government.
6. Determine the policy of the board and the work undertaken by it.
7. Delegate to the superintendent of public instruction the execution
of board policies.
8. Prepare a budget for expenditures necessary for the proper
maintenance of the board and the accomplishment of its purpose.

F. The state board for charter schools may:
1. Contract.
2. Sue and be sued.
3. Use the services of the auditor general.

G. THE STATE BOARD FOR CHARTER SCHOOLS MAY ACCEPT GIFTS OR GRANTS OF
MONIES OR REAL OR PERSONAL PROPERTY FROM PUBLIC AND PRIVATE ORGANIZATIONS, IF
THE PURPOSE OF THE GIFT OR GRANT SPECIFIED BY THE DONOR IS APPROVED BY THE
BOARD AND IS WITHIN THE SCOPE OF THE BOARD'S POWERS AND DUTIES. EACH CHARTER
SCHOOL SHALL ESTABLISH A GIFT AND GRANT FUND FOR THE DEPOSIT OF MONIES
RECEIVED PURSUANT TO THIS SUBSECTION.

Sec. 5. Section 15-183, Arizona Revised Statutes, is amended to read:

15-183. Charter schools; application; requirements; immunity;
exemptions; renewal of application; reprisal; fee;

A. An applicant seeking to establish a charter school shall submit a
written application to a proposed sponsor as prescribed in subsection C of
this section. The application shall include a detailed business plan for the
charter school and may include a mission statement for the charter school, a
description of the charter school's organizational structure and the
governing body, a financial plan for the first three years of operation of
the charter school, a description of the charter school's hiring policy, the
name of the charter school's applicant or applicants and requested sponsor, a
description of the charter school's facility and the location of the school,
and an outline of criteria designed to measure the effectiveness of the school.

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

C. The sponsor of a charter school may be either a school district
governing board, the state board of education, the state board for charter
schools, a university under the jurisdiction of the Arizona board of regents,
a community college district with enrollment of more than fifteen thousand
full-time equivalent students or a group of community college districts with
a combined enrollment of more than fifteen thousand full-time equivalent
students, subject to the following requirements:
1. For charter schools that submit an application for sponsorship to a
school district governing board:
   (a) An applicant for a charter school may submit its application to a
school district governing board, which shall either accept or reject
sponsorship of the charter school within ninety days. An applicant may
submit a revised application for reconsideration by the governing board. If
the governing board rejects the application, the governing board shall notify
the applicant in writing of the reasons for the rejection. The applicant may
request, and the governing board may provide technical assistance to improve
the application.

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

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

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

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

2. The applicant may submit the application to the state board of
education or the state board for charter schools. The state board of
education or the state board for charter schools may approve the application
if the application meets the requirements of this article and may approve the
charter if the proposed sponsor determines, within its sole discretion, that
the applicant is sufficiently qualified to operate a charter school and that
the applicant is applying to operate as a separate charter holder by
considering factors such as whether:

(a) The schools have separate governing bodies, governing body
membership, staff, facilities, and student population.
(b) Daily operations are carried out by different administrators.
(c) The applicant intends to have an affiliation agreement for the purpose of providing enrollment preferences.
(d) The applicant's charter management organization has multiple charter holders serving varied grade configurations on one physical site or nearby sites serving one community.
(e) It is reconstituting an existing school site population at the same or new site.
(f) It is reconstituting an existing grade configuration from a prior charter holder with at least one grade remaining on the original site with the other grade or grades moving to a new site.

The state board of education or the state board for charter schools may approve any charter schools transferring charters. The state board of education and the state board for charter schools shall approve any charter schools transferring charters from a school district that is determined to be out of compliance with the uniform system of financial records pursuant to this section, but may require the charter school to sign a new charter that is equivalent to the charter awarded by the former sponsor. If the state board of education or the state board for charter schools rejects the preliminary application, the state board of education or the state board for charter schools shall notify the applicant in writing of the reasons for the rejection and of suggestions for improving the application. An applicant may submit a revised application for reconsideration by the state board of education or the state board for charter schools. The applicant may request, and the state board of education or the state board for charter schools may provide, technical assistance to improve the application.

3. The applicant may submit the application to a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts. A university, a community college district or a group of community college districts may approve the application if it meets the requirements of this article and if the proposed sponsor determines, in its sole discretion, that the applicant is sufficiently qualified to operate a charter school.

4. Each applicant seeking to establish a charter school shall submit a full set of fingerprints to the approving agency for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. If an applicant will have direct contact with students, the applicant shall possess a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The criminal records check shall be completed before the issuance of a charter. Each applicant shall also submit the social security number of each individual, officer, member, director and partner of the applicant for the purpose of conducting a background check for use by the
SPONSOR IN DETERMINING WHETHER THE APPLICANT IS SUFFICIENTLY QUALIFIED TO OPERATE A CHARTER SCHOOL.

5. All persons engaged in instructional work directly as a classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal shall have a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1, unless the person is a volunteer or guest speaker who is accompanied in the classroom by a person with a valid fingerprint clearance card. A charter school shall not employ a teacher whose certificate has been revoked for a violation of section 15-507 or 15-550 or for any offense that placed a pupil in danger. All other personnel shall be fingerprint checked pursuant to section 15-512. Before employment, the charter school shall make documented, good faith efforts to contact previous employers of a person to obtain information and recommendations that may be relevant to a person's fitness for employment as prescribed in section 15-512, subsection F. The charter school shall notify the department of public safety if the charter school or sponsor receives credible evidence that a person who possesses a valid fingerprint clearance card is arrested for or is charged with an offense listed in section 41-1758.03, subsection B. Charter schools may hire personnel that have not yet received a fingerprint clearance card if proof is provided of the submission of an application to the department of public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant does all of the following:

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

(b) Ensures that the department of public safety completes a statewide criminal records check on the applicant. A statewide criminal records check shall be completed by the department of public safety every one hundred twenty days until the date that the fingerprint check is completed.

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

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

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

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

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

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

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

9. A person who is employed by a charter school and who is convicted of any nonappealable offense listed in section 41-1758.03, subsection B or is convicted of any nonappealable offense that amounts to unprofessional conduct under section 15-550 shall immediately do all of the following:
   (a) Surrender any certificates issued by the department of education.
   (b) Notify the person's employer or potential employer of the conviction.
   (c) Notify the department of public safety of the conviction.
   (d) Surrender the person's fingerprint clearance card.

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

E. The charter of a charter school shall ensure the following:
   1. Compliance with federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance. The department of education shall publish a list of relevant rules, regulations and statutes to notify charter schools of their responsibilities under this paragraph.
   2. That it is nonsectarian in its programs, admission policies and employment practices and all other operations.
   3. That it provides a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve, except that a school may offer this curriculum with an emphasis on a specific learning philosophy or style or certain subject areas such as mathematics, science, fine arts, performance arts or foreign language.
   4. That it designs a method to measure pupil progress toward the pupil outcomes adopted by the state board of education pursuant to section 15-741.01, including participation in the Arizona instrument to measure standards test and the nationally standardized norm-referenced achievement test as designated by the state board and the completion and distribution of an annual report card as prescribed in chapter 7, article 3 of this title.
5. That, except as provided in this article and in its charter, it is exempt from all statutes and rules relating to schools, governing boards and school districts.

6. That, except as provided in this article, it is subject to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as prescribed in chapter 2, article 4 of this title, procurement rules as prescribed in section 15-213 and audit requirements. The auditor general shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of financial records that relate to charter schools are in accordance with commonly accepted accounting principles used by private business. A school's charter may include exceptions to the requirements of this paragraph that are necessary as determined by the district governing board, the state board of education or the state board for charter schools. The department of education or the office of the auditor general may conduct financial, program or compliance audits.

7. Compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.

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

9. That it provides a minimum of one hundred seventy-five instructional days before June 30 of each fiscal year unless it is operating on an alternative calendar approved by its sponsor. The superintendent of public instruction shall adjust the apportionment schedule accordingly to accommodate a charter school utilizing an alternative calendar.

F. The charter of a charter school shall include a description of the charter school's personnel policies, personnel qualifications and method of school governance and the specific role and duties of the sponsor of the charter school. A charter school shall keep on file the resumes of all current and former employees who provide instruction to pupils at the charter school. Resumes shall include an individual's educational and teaching background and experience in a particular academic content subject area. A charter school shall inform parents and guardians of the availability of the resume information and shall make the resume information available for inspection on request of parents and guardians of pupils enrolled at the charter school. Nothing in this subsection shall be construed to require any charter school to release personally identifiable information in relation to any teacher or employee, including the teacher's or employee's address, salary, social security number or telephone number.
G. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor.

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

I. An approved plan to establish a charter school is effective for fifteen years from the first day of the fiscal year the charter school is in operation, subject to the following:

1. At least eighteen months before the expiration of the approved plan, the sponsor shall notify the charter school that the charter school may apply for renewal. A charter school that elects to apply for renewal shall file an application for renewal at least fifteen months before the expiration of the approved plan. In addition to any other requirements, the application for renewal shall include a detailed business plan for the charter school, a review of fiscal audits and academic performance data for the charter school that are annually collected by the sponsor and a review of the current contract between the sponsor and the charter school. The sponsor may deny the request for renewal if, in its judgment, the charter school has failed to complete the obligations of the contract or has failed to comply with this article. A sponsor shall give written notice of its intent not to renew the charter school's request for renewal to the charter school at least twelve months before the expiration of the approved plan to allow the charter school an opportunity to apply to another sponsor to transfer the operation of the charter school. If the operation of the charter school is transferred to another sponsor, the fifteen year period of the current charter shall be maintained.

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

3. A sponsor shall review a charter at five year intervals and may revoke a charter at any time if the charter school breaches one or more provisions of its charter. At least ninety days before the effective date of the proposed revocation the sponsor shall give written notice to the operator of the charter school of its intent to revoke the charter. Notice of the sponsor's intent to revoke the charter shall be delivered personally to the operator of the charter school or sent by certified mail, return receipt requested, to the address of the charter school. The notice shall incorporate a statement of reasons for the proposed revocation of the charter. The sponsor shall allow the charter school at least ninety days to correct the problems associated with the reasons for the proposed revocation.
of the charter. The final determination of whether to revoke the charter
shall be made at a public hearing called for such purpose.

J. The charter may be renewed for successive periods of twenty years
if the sponsor deems that the school is in compliance with its own charter
and this article.

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

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

1. With respect to a school district employee, results in one or more
of the following:
   (a) Disciplinary or corrective action.
   (b) Detail, transfer or reassignment.
   (c) Suspension, demotion or dismissal.
   (d) An unfavorable performance evaluation.
   (e) A reduction in pay, benefits or awards.
   (f) Elimination of the employee's position without a reduction in
      force by reason of lack of monies or work.
   (g) Other significant changes in duties or responsibilities that are
      inconsistent with the employee's salary or employment classification.

2. With respect to an educational program, results in one or more of
the following:
   (a) Suspension or termination of the program.
   (b) Transfer or reassignment of the program to a less favorable
department.
   (c) Relocation of the program to a less favorable site within the
school or school district.
   (d) Significant reduction or termination of funding for the program.

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

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

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

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

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

R. The sponsoring entity of a charter school shall have oversight and administrative responsibility for the charter schools that it sponsors.

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

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

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

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

W. Notwithstanding subsection X of this section, the state board for charter schools shall charge a processing fee to any charter school that amends their ITS contract to participate in the Arizona online instruction program pursuant to section 15-808. The charter Arizona online instruction processing fund is established consisting of fees collected and administered by the state board for charter schools. The state board for charter schools shall use monies in the fund only for the processing of contract amendments for charter schools participating in Arizona online instruction programs. Monies in the fund are continuously appropriated.

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

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

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

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

Sec. 6. Section 15-185, Arizona Revised Statutes, as amended by Laws 2010, seventh special session, chapter 8, section 1 and Laws 2010, second regular session, chapter 17, section 2, chapter 306, section 1, chapter 332, section 4 and chapter 333, section 2, is amended to read:

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

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

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

2. A school district is not financially responsible for any charter school that is sponsored by the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts.

3. A school district that sponsors a charter school may:
   (a) Increase its student count as provided in subsection B, paragraph 2 of this section during the first year of the charter school's operation to include those charter school pupils who were not previously enrolled in the school district. A charter school sponsored by a school district governing board is eligible for the assistance prescribed in subsection B, paragraph 4 of this section. The soft capital allocation as provided in section 15-962 for the school district sponsoring the charter school shall be increased by the amount of the additional assistance. The school district shall include the full amount of the additional assistance in the funding provided to the charter school.
   (b) Compute separate weighted student counts pursuant to section 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter school pupils in order to maintain eligibility for small school district support level weights authorized in section 15-943, paragraph 1 for its noncharter school pupils only. The portion of a district's student count that is attributable to charter school pupils is not eligible for small school district support level weights.

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

5. A school district that sponsors a charter school is not eligible to include the charter school pupils in its student count for the purpose of computing an increase in its capital outlay revenue limit as provided in section 15-961, subsection C, except that if the charter school was previously a school in the district, the district may include in its student count any charter school pupils who were enrolled in the school district in the prior year.

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

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

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

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

2. Notwithstanding paragraph 1 of this subsection, the student count
shall be determined initially using an estimated student count based on
actual registration of pupils before the beginning of the school year. After
the first one hundred days or two hundred days in session, as applicable, the
charter school shall revise the student count to be equal to the actual
average daily membership, as defined in section 15-901, or the adjusted
average daily membership, as prescribed in section 15-902, of the charter
school. A charter school that provides two hundred days of instruction may
use section 15-902.02 for the purposes of this section. Before the one
hundredth day or two hundredth day in session, as applicable, the state board
of education, the state board for charter schools, the sponsoring university,
the sponsoring community college district or the sponsoring group of
community college districts may require a charter school to report
periodically regarding pupil enrollment and attendance, and the department of
education may revise its computation of equalization assistance based on the
report. A charter school shall revise its student count, base support level
and additional assistance before May 15. A charter school that underestimated
its student count shall revise its budget before May 15. A charter school
that underestimated its student count may revise its budget before May 15.

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

4. Equalization assistance for the charter school shall be determined
by adding the amount of the base support level and additional assistance.
The amount of the additional assistance is one thousand six hundred seven
dollars fifty cents per student count in kindergarten programs and grades one
through eight and one thousand eight hundred seventy-three dollars fifty-two
cents per student count in grades nine through twelve.

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

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

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

C. If a pupil is enrolled in both a charter school and a public school
that is not a charter school, the sum of the daily membership, which includes
enrollment as prescribed in section 15-901, subsection A, paragraph 2—1,
subdivisions (a) and (b) and daily attendance as prescribed in section
15-901, subsection A, paragraph 6—5, for that pupil in the school district
and the charter school shall not exceed 1.0, except that if the pupil is
enrolled in both a charter school and a joint technical education district
and resides within the boundaries of a school district participating in the
joint technical education district, the sum of the average daily membership
for that pupil in the charter school and the joint technical education
district shall not exceed 1.25. If a pupil is enrolled in both a charter
school and a public school that is not a charter school, the department of
education shall direct the average daily membership to the school with the
most recent enrollment date. Upon validation of actual enrollment in both a
charter school and a public school that is not a charter school and if the
sum of the daily membership or daily attendance for that pupil is greater
than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
the public school and the charter school based on the percentage of total
time that the pupil is enrolled or in attendance in the public school and the
charter school, except that if the pupil is enrolled in both a charter school
and a joint technical education district and resides within the boundaries of
a school district participating in the joint technical education district,
the sum of the average daily membership for that pupil in the charter school
and the joint technical education district shall be reduced to 1.25 and shall
be apportioned between the charter school and the joint technical education
district based on the percentage of total time that the pupil is enrolled or
in attendance in the charter school and the joint technical education
district. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this section.

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

1. Equalization assistance shall not be less than zero.
2. For a charter school sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts, the total of the base support level and the additional assistance shall not be less than zero.
3. For a charter school sponsored by a school district, the base support level for the school district shall not be reduced by more than the amount that the charter school increased the district's base support level, capital outlay revenue limit and soft capital allocation.

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

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

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

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

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

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

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

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

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

  N. The governing body of a charter school may contract with the
  private organization that is approved by the state board of education
  pursuant to section 15-792.02 to provide approved board examination systems
  for the charter school.

  O. IF PERMITTED BY FEDERAL LAW, A CHARTER SCHOOL MAY OPT OUT OF
  FEDERAL GRANT OPPORTUNITIES IF THE CHARTER HOLDER OR THE APPROPRIATE
  GOVERNING BODY OF THE CHARTER SCHOOL DETERMINES THAT THE FEDERAL REQUIREMENTS
  IMPOSE UNDULY BURDENSOME REPORTING REQUIREMENTS.

  Q. For the purposes of this section:

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

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

Sec. 7. Repeal
Section 15-185, Arizona Revised Statutes, as amended by Laws 2010,
chapter 318, section 1, is repealed.
Sec. 8. Section 15-187, Arizona Revised Statutes, is amended to read:
15-187. Charter schools; teachers; employment benefits
A. A teacher who is employed by or teaching at a charter school and
who was previously employed as a teacher at a school district shall not lose
any right of certification, retirement or salary status or any other benefit
provided by law, by the rules of the governing board of the school district or by the rules of the board of directors of the charter school due to teaching at a charter school on the teacher's return to the school district.

B. A teacher who is employed by or teaching at a charter school and who submits an employment application to the school district where the teacher was employed immediately before employment by or at a charter school shall be given employment preference by the school district if both of the following conditions are met:

1. The teacher submits an employment application to the school district no later than three years after ceasing employment with the school district.

2. A suitable position is available at the school district.

C. A charter school that is sponsored by a school district governing board, the state board of education or the state board for charter schools is eligible to participate in the Arizona state retirement system pursuant to title 38, chapter 5, article 2. The charter school is a political subdivision of this state for purposes of title 38, chapter 5, article 2. IF PERMITTED BY THE AGREEMENT BETWEEN THE CHARTER SCHOOL AND THE ARIZONA STATE RETIREMENT SYSTEM, A CHARTER SCHOOL THAT HAD PREVIOUSLY PARTICIPATED IN THE ARIZONA STATE RETIREMENT SYSTEM MAY DISCONTINUE PARTICIPATION IN THE ARIZONA STATE RETIREMENT SYSTEM FOR EMPLOYEES WHO ARE HIRED BY THE CHARTER SCHOOL AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION.

D. Notwithstanding any other law, a charter school shall not adopt policies that provide employment retention priority for teachers based on tenure or seniority.

Sec. 9. Section 15-213, Arizona Revised Statutes, is amended to read:

15-213. Procurement practices of school districts and charter schools; definitions

A. The state board of education shall adopt rules prescribing procurement practices for all school districts in this state as follows:

1. The state board shall submit to the auditor general proposed rules consistent with the procurement practices prescribed in title 41, chapter 23, modifying the provisions for public notice of invitation for bids, requests for proposals and requests for qualifications to allow a governing board to give public notice of the invitation for bids, requests for proposals and requests for qualifications by publication in the official newspaper of the county as defined in section 11-255, modifying the provisions relating to disposal of materials to comply with section 15-342, paragraph 18, providing for governing board delegation of procurement authority and modifying as necessary other provisions that the state board determines are not appropriate for school districts. The rules shall include provisions specifying that school districts are not required to engage in competitive bidding in order to make the decision to participate in programs pursuant to section 15-382 and that a program authorized by section 15-382 is not required to engage in competitive bidding for the services necessary to
administer the program or for purchase of insurance or reinsurance. The
rules shall include provisions specifying that school districts are not
required to engage in competitive bidding in order to place a pupil in a
private school that provides special education services if such placement is
prescribed in the pupil's individualized education program and the private
school has been approved by the department of education division of special
education pursuant to section 15-765, subsection D. This placement is not
subject to rules adopted by the state board of education before November 24,
2009 pursuant to this section. The rules for procurement of construction
projects shall include provisions specifying that surety bonds furnished as
bid security and performance and payment bonds shall be executed and
furnished as required by title 34, chapter 2 or 6, as applicable. The rules
shall specify the total cost of a procurement that is subject to invitations
for bids, requests for proposals and requests for clarification, using the
aggregate dollar amount limits for procurements prescribed in section
41-2535.

2. The state board of education shall adopt rules for procurements
involving construction not exceeding one hundred fifty thousand dollars,
which shall be known as the simplified school construction procurement
program. At a minimum, the rules for a simplified construction procurement
program shall require that:

(a) A list be maintained by each county school superintendent of
persons who desire to receive solicitations to bid on construction projects
to which additions shall be permitted throughout the year.
(b) The list of persons be available for public inspection.
(c) A performance bond and a payment bond as required by this section
be provided for contracts for construction by contractors.
(d) All bids for construction be opened at a public opening and the
bids shall remain confidential until the public opening.
(e) All persons desiring to submit bids be treated equitably and the
information related to each project be available to all eligible persons.
(f) Competition for construction projects under the simplified school
construction procurement program be encouraged to the maximum extent
possible. At a minimum, a school district shall submit information on each
project to all persons listed with the county school superintendent by any
school district within that county.
(g) A provision, covenant, clause or understanding in, collateral to
or affecting a construction contract that makes the contract subject to the
laws of another state or that requires any litigation, arbitration or other
dispute resolution proceeding arising from the contract to be conducted in
another state is against this state's public policy and is void and
unenforceable.
3. The state board of education shall adopt rules for the procurement of goods and information services by school districts and charter schools using electronic, online bidding. The rules adopted by the state board shall include the use of reverse auctions and shall be consistent with the procurement practices prescribed in title 41, chapter 23, article 13, modifying as necessary those provisions and the rules adopted pursuant to that article that the state board determines are not appropriate for school districts and charter schools. Until the rules are adopted, school districts and charter schools may procure goods and information services pursuant to title 41, chapter 23, article 13 using the rules adopted by the department of administration in implementing that article.

4. The auditor general shall review the proposed rules to determine whether the rules are consistent with the procurement practices prescribed in title 41, chapter 23 and any modifications are required to adapt the procedures for school districts.

5. If the auditor general approves the proposed rules, the auditor general shall notify the state board in writing and the state board shall adopt such rules.

6. If the auditor general objects to the proposed rules, the auditor general shall notify the state board of the objections in writing and the state board, in adopting the rules, shall conform the proposed rules to meet the objections of the auditor general or revise the proposed rules to which an objection has been made and submit the revisions to the auditor general for approval.

B. After the bids submitted in response to an invitation for bids are opened and the award is made or after the proposals or qualifications are submitted in response to a request for proposals or a request for qualifications and the award is made, the governing board shall make available for public inspection all information, all bids, proposals and qualifications submitted and all findings and other information considered in determining whose bid conforms to the invitation for bids and will be the most advantageous with respect to price, conformity to the specifications and other factors or whose proposal or qualifications are to be selected for the award. The invitation for bids, request for proposals or request for qualifications shall include a notice that all information and bids, proposals and qualifications submitted will be made available for public inspection. The rules adopted by the state board shall prohibit the use in connection with procurement of specifications in any way proprietary to one supplier unless the specification includes all of the following:

1. A statement of the reasons why no other specification is practicable.

2. A description of the essential characteristics of the specified product.

3. A statement specifically permitting an acceptable alternative product to be supplied.
C. No project or purchase may be divided or sequenced into separate projects or purchases in order to avoid the limits prescribed by the state board under subsection A of this section.

D. A contract for the procurement of construction or construction services shall include a provision that provides for negotiations between the school district and the contractor for the recovery of damages related to expenses incurred by the contractor for a delay for which the school district is responsible, which is unreasonable under the circumstances and which was not within the contemplation of the parties to the contract. This subsection shall not be construed to void any provision in the contract that requires notice of delays, provides for arbitration or other procedure for settlement or provides for liquidated damages.

E. The auditor general may conduct discretionary reviews, investigations and audits of the financial and operational procurement activities of school districts, nonexempt charter schools and school purchasing cooperatives. The auditor general has final review and approval authority over all school district, nonexempt charter school and school purchasing cooperative audit contracts and any audit reports issued in accordance with this section.

F. In addition to the requirements of sections 15-914 and 15-914.01, school districts, nonexempt charter schools and school purchasing cooperatives, in connection with any audit conducted by a certified public accountant, shall contract for a systematic review of purchasing practices using methodology consistent with sampling guidelines established by the auditor general. The auditor general shall consider cost when establishing guidelines pursuant to this subsection and to the extent possible shall attempt to minimize the cost of the review. The purpose of the review is to determine whether the school district, nonexempt charter school or school purchasing cooperative is in compliance with the procurement laws and applicable procurement rules of this state. A copy of the review shall be submitted on completion to the auditor general. The auditor general may conduct discretionary reviews of school districts, nonexempt charter schools and school purchasing cooperatives not required to contract for independent audits.

G. The attorney general or county attorney has jurisdiction to enforce this section. The attorney general or county attorney may seek relief for any violation of this section through an appropriate civil or criminal action in superior court, including an action to enjoin a threatened or pending violation of this section and including an action to enforce compliance with any request for documents made by the auditor general pursuant to this section.

H. The department of education shall enact policies and procedures for the acceptance and disposition of complaints from the public regarding school procurement practices and shall forward all school procurement complaints to the attorney general. Notwithstanding rules adopted by the state board,
school districts shall not be required to prepare or submit an annual report on the benefits associated with the use of construction-manager-at-risk, design-build, qualified select bidders list and job-order-contracting methods.

I. The state board of education shall adopt, and the auditor general shall review, rules authorizing school districts to procure construction services by construction-manager-at-risk, design-build, qualified select bidders list and job-order-contracting methods of project delivery. THE RULES SHALL NOT REQUIRE SCHOOL DISTRICTS TO OBTAIN BID SECURITY FOR THE CONSTRUCTION-MANAGER-AT-RISK METHOD OF PROJECT DELIVERY.

J. A school district or charter school may evaluate United States general services administration contracts for materials and services. The governing board or governing body may authorize purchases under a current contract for materials or services without complying with the requirements of the procurement rules adopted by the state board of education if the governing board or governing body determines in writing that all of the following apply:

1. The price for materials or services is equal to or less than the contractor’s current federal supply contract price with the general services administration.

2. The contractor has indicated in writing that the contractor is willing to extend the current federal supply contract pricing, terms and conditions to the school district or charter school.

3. The purchase order adequately identifies the federal supply contract on which the order is based.

4. The purchase contract is cost effective and is in the best interests of the school district or charter school.

K. UNLESS OTHERWISE PROVIDED BY LAW, CONTRACTS FOR MATERIALS OR SERVICES AND CONTRACTS FOR JOB-ORDER-CONTRACTING CONSTRUCTION SERVICES MAY BE ENTERED INTO IF THE DURATION OF THE CONTRACT AND THE CONDITIONS OF RENEWAL OR EXTENSION, IF ANY, ARE INCLUDED IN THE INVITATION FOR BIDS OR THE REQUEST FOR PROPOSALS AND IF MONIES ARE AVAILABLE FOR THE FIRST FISCAL PERIOD AT THE TIME THE CONTRACT IS EXECUTED. PAYMENT AND PERFORMANCE OBLIGATIONS FOR SUCCEEDING FISCAL PERIODS ARE SUBJECT TO THE AVAILABILITY AND APPROPRIATION OF MONIES. THE DURATION OF CONTRACTS FOR JOB-ORDER-CONTRACTING CONSTRUCTION SERVICES SHALL BE LIMITED TO NO MORE THAN FIVE YEARS.

L. For the purposes of this section:

1. "Nonexempt charter school" means a charter school that is not exempted from procurement laws pursuant to section 15-183, subsection E, paragraph 6.

2. "School purchasing cooperative" means an entity engaged in cooperative purchasing as defined in section 41-2631.

3. "Total cost" means the cost of all materials and services, including the cost of labor performed by employees of the school district, for all construction as provided in subsection A of this section.
Sec. 10.  Section 15-304, Arizona Revised Statutes, is amended to read:

15-304.  Warrants; limitations; definition

A.  The county school superintendent, on the voucher of the governing board of a school district, shall draw the county school superintendent's warrant on the county treasurer for all necessary expenses against the school fund of the district.  The warrants shall be drawn in the order in which the vouchers are filed in the county school superintendent's office.  Unless notified by the department of education pursuant to section 15-107, a warrant shall not be drawn for an expenditure from the maintenance and operation, capital outlay, adjacent ways and federal and state grant funds for a purpose not included in the budget of the school district or for an expenditure in excess of the amount budgeted and not previously expended, except for expenditures authorized by the board of supervisors as provided in section 15-907.  The county school superintendent shall not draw a warrant for an expenditure from any school district fund except the maintenance and operation, capital outlay or adjacent ways fund or federal and state grant funds unless sufficient cash is available in the fund according to the records of the county school superintendent. The county school superintendent may only draw a warrant for an expenditure from a federal or state grant fund when sufficient cash is not available in the grant fund if the county treasurer maintains the two accounts as provided in section 15-996, paragraph 1 and if the county school superintendent determines that the expenditures are included in the budget section of the approved grant application.  WARRANTS MAY BE PROCESSED THROUGH AN ELECTRONIC PAYMENT SYSTEM.

B.  A county school superintendent, within two business days, shall provide written notice to the department of education, if, in the county school superintendent's judgment, a school district has committed an overexpenditure as defined in section 15-107.

C.  The state board of education shall require a county school superintendent who fails to comply with the notification requirements of subsection B of this section to complete professional development training. The state board of education may also require the employees of a county school superintendent who are involved in school district finances and budgeting to complete professional development training. The professional development training shall be selected from a list approved by the state board of education, and the cost of the professional development training shall be paid by the county school superintendent. County school superintendents and employees of the county school superintendent who are involved in district finances and budgeting shall complete at least twelve hours of professional development training within one hundred twenty days after the decision of the state board of education to require professional development training of the county school superintendent and the employees of the county school superintendent who are involved in district finances and budgeting.
D. A county school superintendent who fails to complete the professional development training within the time prescribed in subsection C of this section is guilty of nonfeasance in office, and the state board of education shall forward a complaint to the attorney general. The attorney general may bring an action in superior court against a county school superintendent for failure to comply with the professional development training requirements prescribed in subsection C of this section. If a court determines that a county school superintendent failed to comply with the professional development training requirements prescribed in subsection C of this section, the court shall issue an order removing the county school superintendent from office.

E. A county school superintendent who fails to comply with the notification requirements of subsection B of this section more than once is guilty of unprofessional conduct. The attorney general may commence an action in superior court to enforce this subsection against any county school superintendent who violates the notification requirements of subsection B of this section more than once. If the court determines that a county school superintendent is guilty of unprofessional conduct, the court shall issue an order directing the removal of the county school superintendent from office.

F. Any vacancy in the office of county school superintendent shall be filled in the manner prescribed by section 11-251.

G. For the purposes of this section, "voucher" means a summary cover sheet and either copies of the invoices of the expenditure or a listing of the invoice detail.

Sec. 11. Section 15-341, Arizona Revised Statutes, is amended to read:

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

A. The governing board shall:

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

2. Exclude from schools all books, publications, papers or audiovisual materials of a sectarian, partisan or denominational character.

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

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

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

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

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

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

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

10. Construct, improve and furnish buildings used for school purposes
when such buildings or premises are leased from the national park service.
11. Purchase school sites or construct, improve and furnish school
buildings from the proceeds of the sale of school property only on approval
by a vote of the district electors.

12. Hold pupils to strict account for disorderly conduct on school
property.
13. Discipline students for disorderly conduct on the way to and from
school.

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

15. Provide that, if a parent or legal guardian chooses not to accept a
decision of the teacher as provided in section 15-521, paragraph 2, the
parent or legal guardian may request in writing that the governing board
review the teacher's decision. Nothing in this paragraph shall be construed
to release school districts from any liability relating to a child's
promotion or retention.

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

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

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

19. Deposit all monies received by school districts other than student
activities monies or monies from auxiliary operations as provided in sections
15-1125 and 15-1126 with the county treasurer to the credit of the school
district except as provided in paragraph 20 of this subsection and sections
15-1223 and 15-1224, and the board shall expend the monies as provided by law
for other school funds.
20. Establish bank accounts in which the board during a month may deposit miscellaneous monies received directly by the district. The board shall remit monies deposited in the bank accounts at least monthly to the county treasurer for deposit as provided in paragraph 19 of this subsection and in accordance with the uniform system of financial records.

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

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

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

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

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

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

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

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

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

30. Keep on file the resumes of all current and former employees who provide instruction to pupils at a school. Resumes shall include an individual's educational and teaching background and experience in a particular academic content subject area. A school district shall inform parents and guardians of the availability of the resume information and shall make the resume information available for inspection on request of parents and guardians of pupils enrolled at a school. Nothing in this paragraph shall be construed to require any school to release personally identifiable information in relation to any teacher or employee, including the teacher's or employee's address, salary, social security number or telephone number.

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

32. In conjunction with local law enforcement agencies and local medical facilities, develop an emergency response plan for each school in the school district in accordance with minimum standards developed jointly by the department of education and the division of emergency management within the department of emergency and military affairs.

33. Provide written notice to the parents or guardians of all students affected in the school district at least thirty TEN days prior to a public meeting to discuss closing a school within the school district. The notice shall include the reasons for the proposed closure and the time and place of the meeting. The governing board shall fix a time for a public meeting on the proposed closure no less than thirty TEN days before voting in a public meeting to close the school. The school district governing board shall give
notice of the time and place of the meeting. At the time and place designated in the notice, the school district governing board shall hear reasons for or against closing the school. The school district governing board is exempt from this paragraph if it is determined by the governing board that the school shall be closed because it poses a danger to the health or safety of the pupils or employees of the school.

34. Incorporate instruction on Native American history into appropriate existing curricula.

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

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

37. Prescribe and enforce policies and procedures to prohibit pupils from harassing, intimidating and bullying other pupils on school grounds, on school property, on school buses, at school bus stops and at school sponsored events and activities that include the following components:

(a) A procedure for pupils to confidentially report to school officials incidents of harassment, intimidation or bullying.

(b) A procedure for parents and guardians of pupils to submit written reports to school officials of suspected incidents of harassment, intimidation or bullying.
(c) A requirement that school district employees report suspected
incidents of harassment, intimidation or bullying to the appropriate school
official.

(d) A formal process for the documentation of reported incidents of
harassment, intimidation or bullying and for the confidentiality, maintenance
and disposition of this documentation. If a school maintains documentation
of reported incidents of harassment, intimidation or bullying, the school
shall not use that documentation to impose disciplinary action unless the
appropriate school official has investigated and determined that the reported
incidents of harassment, intimidation or bullying occurred.

(e) A formal process for the investigation by the appropriate school
officials of suspected incidents of harassment, intimidation or bullying.

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

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

38. Prescribe and enforce policies and procedures regarding changing or
adopting attendance boundaries that include the following components:

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

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

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

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

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

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

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

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

39. If the state board of education determines that the school district
has committed an overexpenditure as defined in section 15-107, provide a copy
of the fiscal management report submitted pursuant to section 15-107,
subsection H on its website and make copies available to the public on
request. The school district shall comply with a request within five
business days after receipt.
40. Ensure that the contract for the superintendent is structured in a manner where at least twenty per cent of the total annual compensation included for the superintendent in the contract is classified as performance pay. Nothing in this paragraph shall be construed to require school districts to increase total compensation for superintendents. Unless the school district governing board votes to implement an alternative procedure at a public meeting called for this purpose, the performance pay portion of the superintendent's total annual compensation shall be determined as follows:

(a) Twenty-five per cent of the performance pay shall be determined based on the percentage of academic gain determined by the department of education of pupils who are enrolled in the school district compared to the academic gain achieved by the highest ranking of the fifty largest school districts in this state. For the purposes of this subdivision, the department of education shall determine academic gain by the academic growth achieved by each pupil who has been enrolled at the same school in a school district for at least five consecutive months measured against that pupil's academic results in the 2008-2009 school year. For the purposes of this subdivision, of the fifty largest school districts in this state, the school district with pupils who demonstrate the highest statewide percentage of overall academic gain measured against academic results for the 2008-2009 school year shall be assigned a score of 100 and the school district with pupils who demonstrate the lowest statewide percentage of overall academic gain measured against academic results for the 2008-2009 school year shall be assigned a score of 0.

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

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

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

(i) A letter grade of "A" if the school district is excellent.
(ii) A letter grade of "B" if the school district is above average.
(iii) A letter grade of "C" if the school district is average.
(iv) A letter grade of "D" if the school district is below average.
(v) A letter grade of "F" if the school district is a failure.
(d) Twenty-five per cent of the performance pay shall be determined by other criteria selected by the governing board.

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

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

1. Is not abated, extinguished, discharged or merged in the title to the property.
2. Is enforceable in the same manner as other delinquent tax liens.

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

E. A school district, its governing board members, its school council members and its employees are immune from civil liability for the consequences of adoption and implementation of policies and procedures pursuant to subsection A of this section and section 15-342. This waiver does not apply if the school district, its governing board members, its school council members or its employees are guilty of gross negligence or intentional misconduct.
F. A governing board may delegate in writing to a superintendent, principal or head teacher the authority to prescribe procedures that are consistent with the governing board's policies.

G. Notwithstanding any other provision of this title, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, a school district governing board shall not take any action that would result in a reduction of pupil square footage unless the governing board notifies the school facilities board established by section 15-2001 of the proposed action and receives written approval from the school facilities board to take the action. A reduction includes an increase in administrative space that results in a reduction of pupil square footage or sale of school sites or buildings, or both. A reduction includes a reconfiguration of grades that results in a reduction of pupil square footage of any grade level. This subsection does not apply to temporary reconfiguration of grades to accommodate new school construction if the temporary reconfiguration does not exceed one year OR TO THE DEMOLITION OF SCHOOL BUILDINGS IF THE SCHOOL DISTRICT RECAPTURES THE REDUCED PUPIL SQUARE FOOTAGE WITH ADDITIONAL PUPIL SQUARE FOOTAGE WITHIN TWO YEARS. The sale of equipment that results in a reduction that falls below the equipment requirements prescribed in section 15-2011, subsection B is subject to commensurate withholding of school district capital outlay revenue limit monies pursuant to the direction of the school facilities board. Except as provided in section 15-342, paragraph 10, proceeds from the sale of school sites, buildings or other equipment shall be deposited in the school plant fund as provided in section 15-1102.

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

Sec. 12. Section 15-341.01, Arizona Revised Statutes, is amended to read:

15-341.01. One hundred eighty day school year; definition
A. Notwithstanding any other law, UNLESS THE SCHOOL DISTRICT GOVERNING BOARD ADOPTS A WRITTEN RESOLUTION TO CONDUCT SCHOOL SESSIONS IN THAT SCHOOL DISTRICT FOR FEWER THAN ONE HUNDRED EIGHTY DAYS, school instruction shall be conducted in each public school in this state for school sessions that total at least one hundred eighty days each school year. The superintendent of public instruction shall cause all relevant school funding formulas to be adjusted to reflect instruction on the one hundred eighty days' equivalency. The department of education shall adjust the amount of state aid distributed to school districts pursuant to section 15-971 to correspond to the increased number of school days prescribed by this section.

B. A SCHOOL DISTRICT WITH A GOVERNING BOARD THAT ADOPTS A WRITTEN RESOLUTION TO CONDUCT SCHOOL SESSIONS FOR FEWER THAN ONE HUNDRED EIGHTY DAYS SHALL CONDUCT SCHOOL SESSIONS IN THAT SCHOOL DISTRICT FOR AT LEAST ONE HUNDRED SEVENTY DAYS EACH SCHOOL YEAR AND SHALL ENSURE THAT THE SCHOOL SESSIONS ARE CONDUCTED FOR THE SAME TOTAL NUMBER OF MINUTES REQUIRED BY LAW
FOR ONE HUNDRED EIGHTY DAYS OF INSTRUCTION. THE DEPARTMENT OF EDUCATION
SHALL ADJUST THE HOURLY REQUIREMENTS FOR FULL-TIME STUDENTS AND FRACTIONAL
STUDENTS PRESCRIBED IN SECTION 15-901 FOR SCHOOL DISTRICTS THAT ELECT TO
PROVIDE FEWER THAN ONE HUNDRED EIGHTY DAYS OF INSTRUCTION.

B.C. For the purposes of this section, "one hundred eighty days"
means one hundred eighty days of instruction or an equivalent number of
minutes of instruction per school year based on a different number of days of
instruction approved by the school district governing board or charter school
governing body.

Sec. 13. Section 15-342, Arizona Revised Statutes, as amended by Laws
2010, chapter 332, section 9, is amended to read:
15-342. Discretionary powers
The governing board may:
1. Expel pupils for misconduct.
2. Exclude from grades one through eight children under six years of
age.
3. Make such separation of groups of pupils as it deems advisable.
4. Maintain such special schools during vacation as deemed necessary
for the benefit of the pupils of the school district.
5. Permit a superintendent or principal or representatives of the
superintendent or principal to travel for a school purpose, as determined by
a majority vote of the board. The board may permit members and members-elect
of the board to travel within or without the school district for a school
purpose and receive reimbursement. Any expenditure for travel and
subsistence pursuant to this paragraph shall be as provided in title 38,
chapter 4, article 2. The designated post of duty referred to in section
38-621 shall be construed, for school district governing board members, to be
the member's actual place of residence, as opposed to the school district
office or the school district boundaries. Such expenditures shall be a
charge against the budgeted school district funds. The governing board of a
school district shall prescribe procedures and amounts for reimbursement of
lodging and subsistence expenses. Reimbursement amounts shall not exceed the
maximum amounts established pursuant to section 38-624, subsection C.
6. Construct or provide in rural districts housing facilities for
teachers and other school employees which the board determines are necessary
for the operation of the school.
7. Sell or lease to the state, a county, a city, another SCHOOL
DISTRICT or a tribal government agency any school property required for a
public purpose, provided the sale or lease of the property will not affect
the normal operations of a school within the school district.
8. Annually budget and expend funds for membership in an association
of school districts within this state.
9. Enter into leases or lease-purchase agreements for school buildings
or grounds, or both, as lessor or as lessee, for periods of less than five
years subject to voter approval for construction of school buildings as
prescribed in section 15-341, subsection A, paragraph 7.

10. Subject to chapter 16 of this title, sell school sites or enter
into leases or lease-purchase agreements for school buildings and grounds, as
lessee or as lessee, for a period of five years or more, but not to exceed
ninety-nine years, if authorized by a vote of the school district electors in
an election called by the governing board as provided in section 15-491,
except that authorization by the school district electors in an election is
not required if one of the following requirements is met:

(a) The market value of the school property is less than fifty
thousand dollars or the property is procured through an energy performance
contract, which among other items includes a renewable energy power service
agreement, or a simplified energy performance contract pursuant to section
15-213.01.

(b) The buildings and sites are completely funded with monies
distributed by the school facilities board.

(c) The transaction involves the sale of improved or unimproved
property pursuant to an agreement with the school facilities board in which
the school district agrees to sell the improved or unimproved property and
transfer the proceeds of the sale to the school facilities board in exchange
for monies from the school facilities board for the acquisition of a more
suitable school site. For a sale of property acquired by a school district
prior to July 9, 1998, a school district shall transfer to the school
facilities board that portion of the proceeds that equals the cost of the
acquisition of a more suitable school site. If there are any remaining
proceeds after the transfer of monies to the school facilities board, a
school district shall only use those remaining proceeds for future land
purchases approved by the school facilities board, or for capital
improvements not funded by the school facilities board for any existing or
future facility.

(d) The transaction involves the sale of improved or unimproved
property pursuant to a formally adopted plan and the school district uses the
proceeds of this sale to purchase other property that will be used for
similar purposes as the property that was originally sold, provided that the
sale proceeds of the improved or unimproved property are used within two
years after the date of the original sale to purchase the replacement
property. If the sale proceeds of the improved or unimproved property are
not used within two years after the date of the original sale to purchase
replacement property, the sale proceeds shall be used towards payment of any
outstanding bonded indebtedness. If any sale proceeds remain after paying
for outstanding bonded indebtedness, or if the district has no outstanding
bonded indebtedness, sale proceeds shall be used to reduce the district's
primary tax levy. A school district shall not use this subdivision unless
all of the following conditions exist:
(i) The school district is the sole owner of the improved or unimproved property that the school district intends to sell.

(ii) The school district did not purchase the improved or unimproved property that the school district intends to sell with monies that were distributed pursuant to chapter 16 of this title.

(iii) The transaction does not violate section 15-341, subsection G.

11. Review the decision of a teacher to promote a pupil to a grade or retain a pupil in a grade in a common school or to pass or fail a pupil in a course in high school. The pupil has the burden of proof to overturn the decision of a teacher to promote, retain, pass or fail the pupil. In order to sustain the burden of proof, the pupil shall demonstrate to the governing board that the pupil has mastered the academic standards adopted by the state board of education pursuant to sections 15-701 and 15-701.01. If the governing board overturns the decision of a teacher pursuant to this paragraph, the governing board shall adopt a written finding that the pupil has mastered the academic standards. Notwithstanding title 38, chapter 3, article 3.1, the governing board shall review the decision of a teacher to promote a pupil to a grade or retain a pupil in a grade in a common school or to pass or fail a pupil in a course in high school in executive session unless a parent or legal guardian of the pupil or the pupil, if emancipated, disagrees that the review should be conducted in executive session and then the review shall be conducted in an open meeting. If the review is conducted in executive session, the board shall notify the teacher of the date, time and place of the review and shall allow the teacher to be present at the review. If the teacher is not present at the review, the board shall consult with the teacher before making its decision. Any request, including the written request as provided in section 15-341, the written evidence presented at the review and the written record of the review, including the decision of the governing board to accept or reject the teacher's decision, shall be retained by the governing board as part of its permanent records.

12. Provide transportation or site transportation loading and unloading areas for any child or children if deemed for the best interest of the district, whether within or without the district, county or state. UNLESS THE TRANSPORTATION IS MANDATED BY STATE OR FEDERAL LAW, A SCHOOL DISTRICT MAY CHARGE PUPILS FOR TRANSPORTATION FOR FIELD TRIPS, ATHLETIC EVENTS AND EXTRACURRICULAR ACTIVITIES.

13. Enter into intergovernmental agreements and contracts with school districts or other governing bodies as provided in section 11-952. Intergovernmental agreements and contracts between school districts or between a school district and other governing bodies as provided in section 11-952 are exempt from competitive bidding under the procurement rules adopted by the state board of education pursuant to section 15-213.

14. Include in the curricula which it prescribes for high schools in the school district career and technical education, vocational education and technology education programs and career and technical, vocational and
technology program improvement services for the high schools, subject to
approval by the state board of education. The governing board may contract
for the provision of career and technical, vocational and technology
education as provided in section 15-789.

15. Suspend a teacher or administrator from the teacher's or
administrator's duties without pay for a period of time of not to exceed ten
school days, if the board determines that suspension is warranted pursuant to
section 15-341, subsection A, paragraphs 21 and 22.

16. Dedicate school property within an incorporated city or town to
such city or town or within a county to that county for use as a public
right-of-way if both of the following apply:

(a) Pursuant to an ordinance adopted by such city, town or county,
there will be conferred upon the school district privileges and benefits
which may include benefits related to zoning.

(b) The dedication will not affect the normal operation of any school
within the district.

17. Enter into option agreements for the purchase of school sites.

18. Donate surplus or outdated learning materials, EDUCATIONAL
EQUIPMENT AND FURNISHINGS to nonprofit community organizations where the
governing board determines that the anticipated cost of selling the learning
materials, EDUCATIONAL EQUIPMENT OR FURNISHINGS equals or exceeds the
estimated market value of the materials.

19. Prescribe policies for the assessment of reasonable fees for
students to use district-provided parking facilities. The fees are to be
applied by the district solely against costs incurred in operating or
securing the parking facilities. Any policy adopted by the governing board
pursuant to this paragraph shall include a fee waiver provision in
appropriate cases of need or economic hardship.

20. Establish alternative educational programs that are consistent with
the laws of this state to educate pupils, including pupils who have been
reassigned pursuant to section 15-841, subsection E or F.

21. Require a period of silence to be observed at the commencement of
the first class of the day in the schools. If a governing board chooses to
require a period of silence to be observed, the teacher in charge of the room
in which the first class is held shall announce that a period of silence not
to exceed one minute in duration will be observed for meditation, and during
that time no activities shall take place and silence shall be maintained.

22. Require students to wear uniforms.

23. Exchange unimproved property or improved property, including school
sites, where the governing board determines that the improved property is
unnecessary for the continued operation of the school district without
requesting authorization by a vote of the school district electors if the
governing board determines that the exchange is necessary to protect the
health, safety or welfare of pupils or when the governing board determines
that the exchange is based on sound business principles for either:
(a) Unimproved or improved property of equal or greater value.

(b) Unimproved property that the owner contracts to improve if the value of the property ultimately received by the school district is of equal or greater value.

24. For common and high school pupils, assess reasonable fees for optional extracurricular activities and programs conducted when the common or high school is not in session, except that no fees shall be charged for pupils' access to or use of computers or related materials. For high school pupils, the governing board may assess reasonable fees for fine arts and vocational education courses and for optional services, equipment and materials offered to the pupils beyond those required to successfully complete the basic requirements of any other course, except that no fees shall be charged for pupils' access to or use of computers or related materials. Fees assessed pursuant to this paragraph shall be adopted at a public meeting after notice has been given to all parents of pupils enrolled at schools in the district and shall not exceed the actual costs of the activities, programs, services, equipment or materials. The governing board shall authorize principals to waive the assessment of all or part of a fee assessed pursuant to this paragraph if it creates an economic hardship for a pupil. For the purposes of this paragraph, "extracurricular activity" means any optional, noncredit, educational or recreational activity which supplements the education program of the school, whether offered before, during or after regular school hours.

25. Notwithstanding section 15-341, subsection A, paragraphs 7 and 9, construct school buildings and purchase or lease school sites, without a vote of the school district electors, if the buildings and sites are totally funded from one or more of the following:

(a) Monies in the unrestricted capital outlay fund, except that the estimated cost shall not exceed two hundred fifty thousand dollars for a district that utilizes section 15-949.

(b) Monies distributed from the school facilities board established by section 15-2001.

(c) Monies specifically donated for the purpose of constructing school buildings.

Nothing in this paragraph shall be construed to eliminate the requirement for an election to raise revenues for a capital outlay override pursuant to section 15-481 or a bond election pursuant to section 15-491.

26. Conduct a background investigation that includes a fingerprint check conducted pursuant to section 41-1750, subsection G for certificated personnel and personnel who are not paid employees of the school district, as a condition of employment. A school district may release the results of a background check to another school district for employment purposes. The school district may charge the costs of fingerprint checks to its fingerprinted employee, except that the school district may not charge the
costs of fingerprint checks for personnel who are not paid employees of the school district.

27. Unless otherwise prohibited by law, sell advertising as follows:
   (a) Advertisements shall be age appropriate and not contain promotion of any substance that is illegal for minors such as alcohol, tobacco and drugs or gambling. Advertisements shall comply with the state sex education policy of abstinence.
   (b) Advertising approved by the governing board for the exterior of school buses may appear only on the sides of the bus in the following areas:
      (i) The signs shall be below the seat level rub rail and not extend above the bottom of the side windows.
      (ii) The signs shall be at least three inches from any required lettering, lamp, wheel well or reflector behind the service door or stop signal arm.
      (iii) The signs shall not extend from the body of the bus so as to allow a handhold or present a danger to pedestrians.
      (iv) The signs shall not interfere with the operation of any door or window.
   (v) The signs shall not be placed on any emergency doors.
   (c) The school district shall establish an advertisement fund that is composed of revenues from the sale of advertising. The monies in an advertisement fund are not subject to reversion.

28. Assess reasonable damage deposits to pupils in grades seven through twelve for the use of textbooks, musical instruments, band uniforms or other equipment required for academic courses. The governing board shall adopt policies on any damage deposits assessed pursuant to this paragraph at a public meeting called for this purpose after providing notice to all parents of pupils in grades seven through twelve in the school district. Principals of individual schools within the district may waive the damage deposit requirement for any textbook or other item if the payment of the damage deposit would create an economic hardship for the pupil. The school district shall return the full amount of the damage deposit for any textbook or other item if the pupil returns the textbook or other item in reasonably good condition within the time period prescribed by the governing board. For the purposes of this paragraph, "in reasonably good condition" means the textbook or other item is in the same or a similar condition as it was when the pupil received it, plus ordinary wear and tear.

29. Notwithstanding section 15-1105, expend surplus monies in the civic center school fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1105.

30. Notwithstanding section 15-1143, expend surplus monies in the community school program fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1142.
31. Adopt guidelines for standardization of the format of the school report cards required by section 15-746 for schools within the district.

32. Adopt policies that require parental notification when a law enforcement officer interviews a pupil on school grounds. Policies adopted pursuant to this paragraph shall not impede a peace officer from the performance of the peace officer's duties. If the school district governing board adopts a policy that requires parental notification:

(a) The policy may provide reasonable exceptions to the parental notification requirement.

(b) The policy shall set forth whether and under what circumstances a parent may be present when a law enforcement officer interviews the pupil, including reasonable exceptions to the circumstances under which a parent may be present when a law enforcement officer interviews the pupil, and shall specify a reasonable maximum time after a parent is notified that an interview of a pupil by a law enforcement officer may be delayed to allow the parent to be present.

33. Enter into voluntary partnerships with any party to finance with funds other than school district funds and cooperatively design school facilities that comply with the adequacy standards prescribed in section 15-2011 and the square footage per pupil requirements pursuant to section 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and location of any such school facility shall be submitted to the school facilities board for approval pursuant to section 15-2041, subsection O. If the school facilities board approves the design plans and location of any such school facility, the party in partnership with the school district may cause to be constructed and the district may begin operating the school facility before monies are distributed from the school facilities board pursuant to section 15-2041. Monies distributed from the new school facilities fund to a school district in a partnership with another party to finance and design the school facility shall be paid to the school district pursuant to section 15-2041. The school district shall reimburse the party in partnership with the school district from the monies paid to the school district pursuant to section 15-2041, in accordance with the voluntary partnership agreement. Before the school facilities board distributes any monies pursuant to this subsection, the school district shall demonstrate to the school facilities board that the facilities to be funded pursuant to section 15-2041, subsection O meet the minimum adequacy standards prescribed in section 15-2011. If the cost to construct the school facility exceeds the amount that the school district receives from the new school facilities fund, the partnership agreement between the school district and the other party shall specify that, except as otherwise provided by the other party, any such excess costs shall be the responsibility of the school district. The school district governing board shall adopt a resolution in a public meeting that an analysis has been conducted on the prospective effects of the decision to operate a new school with existing monies from the school district's
maintenance and operations budget and how this decision may affect other
schools in the school district. If a school district acquires land by
donation at an appropriate school site approved by the school facilities
board and a school facility is financed and built on the land pursuant to
this paragraph, the school facilities board shall distribute an amount equal
to twenty per cent of the fair market value of the land that can be used for
academic purposes. The school district shall place the monies in the
unrestricted capital outlay fund and increase the unrestricted capital budget
limit by the amount of the monies placed in the fund. Monies distributed
under this paragraph shall be distributed from the new school facilities fund
pursuant to section 15-2041. If a school district acquires land by donation
at an appropriate school site approved by the school facilities board and a
school facility is financed and built on the land pursuant to this paragraph,
the school district shall not receive monies from the school facilities board
for the donation of real property pursuant to section 15-2041, subsection F.

It is unlawful for:

(a) A county, city or town to require as a condition of any land use
approval that a landowner or landowners that entered into a partnership
pursuant to this paragraph provide any contribution, donation or gift, other
than a site donation, to a school district. This subdivision only applies to
the property in the voluntary partnership agreement pursuant to this
paragraph.

(b) A county, city or town to require as a condition of any land use
approval that the landowner or landowners located within the geographic
boundaries of the school subject to the voluntary partnership pursuant to
this paragraph provide any donation or gift to the school district except as
provided in the voluntary partnership agreement pursuant to this paragraph.

(c) A community facilities district established pursuant to title 48,
chapter 4, article 6 to be used for reimbursement of financing the
construction of a school pursuant to this paragraph.

(d) A school district to enter into an agreement pursuant to this
paragraph with any party other than a master planned community party. Any
land area consisting of at least three hundred twenty acres that is the
subject of a development agreement with a county, city or town entered into
pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master
planned community. For the purposes of this subdivision, "master planned
community" means a land area consisting of at least three hundred twenty
acres, which may be noncontiguous, that is the subject of a zoning ordinance
approved by the governing body of the county, city or town in which the land
is located that establishes the use of the land area as a planned area
development or district, planned community development or district, planned
unit development or district or other land use category or district that is
recognized in the local ordinance of such county, city or town and that
specifies the use of such land is for a master planned development.
34. Enter into an intergovernmental agreement with a presiding judge of the juvenile court to implement a law related education program as defined in section 15-154. The presiding judge of the juvenile court may assign juvenile probation officers to participate in a law related education program in any school district in the county. The cost of juvenile probation officers who participate in the program implemented pursuant to this paragraph shall be funded by the school district.

35. OFFER TO SELL OUTDATED LEARNING MATERIALS, EDUCATIONAL EQUIPMENT OR FURNISHINGS AT A POSTED PRICE COMMENSURATE WITH THE VALUE OF THE ITEMS TO PUPILS WHO ARE CURRENTLY ENROLLED IN THAT SCHOOL DISTRICT BEFORE THOSE MATERIALS ARE OFFERED FOR PUBLIC SALE.

36. IF THE SCHOOL DISTRICT IS A SMALL SCHOOL DISTRICT AS DEFINED IN SECTION 15-901, AND IF PERMITTED BY FEDERAL LAW, OPT OUT OF FEDERAL GRANT OPPORTUNITIES IF THE GOVERNING BOARD DETERMINES THAT THE FEDERAL REQUIREMENTS IMPOSE UNDULY BURDENSOME REPORTING REQUIREMENTS.

Sec. 14. Section 15-342, Arizona Revised Statutes, as amended by Laws 2010, chapter 332, section 10, is amended to read:

15-342. Discretionary powers

The governing board may:

1. Expel pupils for misconduct.

2. Exclude from grades one through eight children under six years of age.

3. Make such separation of groups of pupils as it deems advisable.

4. Maintain such special schools during vacation as deemed necessary for the benefit of the pupils of the school district.

5. Permit a superintendent or principal or representatives of the superintendent or principal to travel for a school purpose, as determined by a majority vote of the board. The board may permit members and members-elect of the board to travel within or without the school district for a school purpose and receive reimbursement. Any expenditure for travel and subsistence pursuant to this paragraph shall be as provided in title 38, chapter 4, article 2. The designated post of duty referred to in section 38-621 shall be construed, for school district governing board members, to be the member's actual place of residence, as opposed to the school district office or the school district boundaries. Such expenditures shall be a charge against the budgeted school district funds. The governing board of a school district shall prescribe procedures and amounts for reimbursement of lodging and subsistence expenses. Reimbursement amounts shall not exceed the maximum amounts established pursuant to section 38-624, subsection C.

6. Construct or provide in rural districts housing facilities for teachers and other school employees which the board determines are necessary for the operation of the school.

7. Sell or lease to the state, a county, a city, ANOTHER SCHOOL DISTRICT or a tribal government agency any school property required for a
public purpose, provided the sale or lease of the property will not affect
the normal operations of a school within the school district.

8. Annually budget and expend funds for membership in an association
of school districts within this state.

9. Enter into leases or lease-purchase agreements for school buildings
or grounds, or both, as lessor or as lessee, for periods of less than five
years subject to voter approval for construction of school buildings as
prescribed in section 15-341, subsection A, paragraph 7.

10. Subject to chapter 16 of this title, sell school sites or enter
into leases or lease-purchase agreements for school buildings and grounds, as
lessor or as lessee, for a period of five years or more, but not to exceed
ninety-nine years, if authorized by a vote of the school district electors in
an election called by the governing board as provided in section 15-491,
except that authorization by the school district electors in an election is
not required if one of the following requirements is met:

(a) The market value of the school property is less than fifty
thousand dollars.

(b) The buildings and sites are completely funded with monies
distributed by the school facilities board.

(c) The transaction involves the sale of improved or unimproved
property pursuant to an agreement with the school facilities board in which
the school district agrees to sell the improved or unimproved property and
transfer the proceeds of the sale to the school facilities board in exchange
for monies from the school facilities board for the acquisition of a more
suitable school site. For a sale of property acquired by a school district
prior to July 9, 1998, a school district shall transfer to the school
facilities board that portion of the proceeds that equals the cost of the
acquisition of a more suitable school site. If there are any remaining
proceeds after the transfer of monies to the school facilities board, a
school district shall only use those remaining proceeds for future land
purchases approved by the school facilities board, or for capital
improvements not funded by the school facilities board for any existing or
future facility.

(d) The transaction involves the sale of improved or unimproved
property pursuant to a formally adopted plan and the school district uses the
proceeds of this sale to purchase other property that will be used for
similar purposes as the property that was originally sold, provided that the
sale proceeds of the improved or unimproved property are used within two
years after the date of the original sale to purchase the replacement
property. If the sale proceeds of the improved or unimproved property are
not used within two years after the date of the original sale to purchase
replacement property, the sale proceeds shall be used towards payment of any
outstanding bonded indebtedness. If any sale proceeds remain after paying
for outstanding bonded indebtedness, or if the district has no outstanding
bonded indebtedness, sale proceeds shall be used to reduce the district's
primary tax levy. A school district shall not use this subdivision unless all of the following conditions exist:

(i) The school district is the sole owner of the improved or unimproved property that the school district intends to sell.

(ii) The school district did not purchase the improved or unimproved property that the school district intends to sell with monies that were distributed pursuant to chapter 16 of this title.

(iii) The transaction does not violate section 15-341, subsection G.

11. Review the decision of a teacher to promote a pupil to a grade or retain a pupil in a grade in a common school or to pass or fail a pupil in a course in high school. The pupil has the burden of proof to overturn the decision of a teacher to promote, retain, pass or fail the pupil. In order to sustain the burden of proof, the pupil shall demonstrate to the governing board that the pupil has mastered the academic standards adopted by the state board of education pursuant to sections 15-701 and 15-701.01. If the governing board overturns the decision of a teacher pursuant to this paragraph, the governing board shall adopt a written finding that the pupil has mastered the academic standards. Notwithstanding title 38, chapter 3, article 3.1, the governing board shall review the decision of a teacher to promote a pupil to a grade or retain a pupil in a grade in a common school or to pass or fail a pupil in a course in high school in executive session unless a parent or legal guardian of the pupil or the pupil, if emancipated, disagrees that the review should be conducted in executive session and then the review shall be conducted in an open meeting. If the review is conducted in executive session, the board shall notify the teacher of the date, time and place of the review and shall allow the teacher to be present at the review. If the teacher is not present at the review, the board shall consult with the teacher before making its decision. Any request, including the written request as provided in section 15-341, the written evidence presented at the review and the written record of the review, including the decision of the governing board to accept or reject the teacher's decision, shall be retained by the governing board as part of its permanent records.

12. Provide transportation or site transportation loading and unloading areas for any child or children if deemed for the best interest of the district, whether within or without the district, county or state. UNLESS THE TRANSPORTATION IS MANDATED BY STATE OR FEDERAL LAW, A SCHOOL DISTRICT MAY CHARGE PUPILS FOR TRANSPORTATION FOR FIELD TRIPS, ATHLETIC EVENTS AND EXTRACURRICULAR ACTIVITIES.

13. Enter into intergovernmental agreements and contracts with school districts or other governing bodies as provided in section 11-952. Intergovernmental agreements and contracts between school districts or between a school district and other governing bodies as provided in section 11-952 are exempt from competitive bidding under the procurement rules adopted by the state board of education pursuant to section 15-213.
14. Include in the curricula which it prescribes for high schools in
the school district career and technical education, vocational education and
technology education programs and career and technical, vocational and
technology program improvement services for the high schools, subject to
approval by the state board of education. The governing board may contract
for the provision of career and technical, vocational and technology
education as provided in section 15-789.
15. Suspend a teacher or administrator from the teacher's or
administrator's duties without pay for a period of time of not to exceed ten
school days, if the board determines that suspension is warranted pursuant to
section 15-341, subsection A, paragraphs 21 and 22.
16. Dedicate school property within an incorporated city or town to
such city or town or within a county to that county for use as a public
right-of-way if both of the following apply:
   (a) Pursuant to an ordinance adopted by such city, town or county,
there will be conferred upon the school district privileges and benefits
which may include benefits related to zoning.
   (b) The dedication will not affect the normal operation of any school
within the district.
17. Enter into option agreements for the purchase of school sites.
18. Donate surplus or outdated learning materials, EDUCATIONAL
EQUIPMENT AND FURNISHINGS to nonprofit community organizations where the
governing board determines that the anticipated cost of selling the learning
materials, EDUCATIONAL EQUIPMENT OR FURNISHINGS equals or exceeds the
estimated market value of the materials.
19. Prescribe policies for the assessment of reasonable fees for
students to use district-provided parking facilities. The fees are to be
applied by the district solely against costs incurred in operating or
securing the parking facilities. Any policy adopted by the governing board
pursuant to this paragraph shall include a fee waiver provision in
appropriate cases of need or economic hardship.
20. Establish alternative educational programs that are consistent with
the laws of this state to educate pupils, including pupils who have been
reassigned pursuant to section 15-841, subsection E or F.
21. Require a period of silence to be observed at the commencement of
the first class of the day in the schools. If a governing board chooses to
require a period of silence to be observed, the teacher in charge of the room
in which the first class is held shall announce that a period of silence not
to exceed one minute in duration will be observed for meditation, and during
that time no activities shall take place and silence shall be maintained.
22. Require students to wear uniforms.
23. Exchange unimproved property or improved property, including school
sites, where the governing board determines that the improved property is
unnecessary for the continued operation of the school district without
requesting authorization by a vote of the school district electors if the
governing board determines that the exchange is necessary to protect the health, safety or welfare of pupils or when the governing board determines that the exchange is based on sound business principles for either:

(a) Unimproved or improved property of equal or greater value.

(b) Unimproved property that the owner contracts to improve if the value of the property ultimately received by the school district is of equal or greater value.

24. For common and high school pupils, assess reasonable fees for optional extracurricular activities and programs conducted when the common or high school is not in session, except that no fees shall be charged for pupils' access to or use of computers or related materials. For high school pupils, the governing board may assess reasonable fees for fine arts and vocational education courses and for optional services, equipment and materials offered to the pupils beyond those required to successfully complete the basic requirements of any other course, except that no fees shall be charged for pupils' access to or use of computers or related materials. Fees assessed pursuant to this paragraph shall be adopted at a public meeting after notice has been given to all parents of pupils enrolled at schools in the district and shall not exceed the actual costs of the activities, programs, services, equipment or materials. The governing board shall authorize principals to waive the assessment of all or part of a fee assessed pursuant to this paragraph if it creates an economic hardship for a pupil. For the purposes of this paragraph, "extracurricular activity" means any optional, noncredit, educational or recreational activity which supplements the education program of the school, whether offered before, during or after regular school hours.

25. Notwithstanding section 15-341, subsection A, paragraphs 7 and 9, construct school buildings and purchase or lease school sites, without a vote of the school district electors, if the buildings and sites are totally funded from one or more of the following:

(a) Monies in the unrestricted capital outlay fund, except that the estimated cost shall not exceed two hundred fifty thousand dollars for a district that utilizes section 15-949.

(b) Monies distributed from the school facilities board established by section 15-2001.

(c) Monies specifically donated for the purpose of constructing school buildings.

Nothing in this paragraph shall be construed to eliminate the requirement for an election to raise revenues for a capital outlay override pursuant to section 15-481 or a bond election pursuant to section 15-491.

26. Conduct a background investigation that includes a fingerprint check conducted pursuant to section 41-1750, subsection G for certificated personnel and personnel who are not paid employees of the school district, as a condition of employment. A school district may release the results of a background check to another school district for employment purposes. The
school district may charge the costs of fingerprint checks to its fingerprinted employee, except that the school district may not charge the costs of fingerprint checks for personnel who are not paid employees of the school district.

27. Unless otherwise prohibited by law, sell advertising as follows:
   (a) Advertisements shall be age appropriate and not contain promotion of any substance that is illegal for minors such as alcohol, tobacco and drugs or gambling. Advertisements shall comply with the state sex education policy of abstinence.
   (b) Advertising approved by the governing board for the exterior of school buses may appear only on the sides of the bus in the following areas:
      (i) The signs shall be below the seat level rub rail and not extend above the bottom of the side windows.
      (ii) The signs shall be at least three inches from any required lettering, lamp, wheel well or reflector behind the service door or stop signal arm.
      (iii) The signs shall not extend from the body of the bus so as to allow a handhold or present a danger to pedestrians.
      (iv) The signs shall not interfere with the operation of any door or window.
   (v) The signs shall not be placed on any emergency doors.
   (c) The school district shall establish an advertisement fund that is composed of revenues from the sale of advertising. The monies in an advertisement fund are not subject to reversion.

28. Assess reasonable damage deposits to pupils in grades seven through twelve for the use of textbooks, musical instruments, band uniforms or other equipment required for academic courses. The governing board shall adopt policies on any damage deposits assessed pursuant to this paragraph at a public meeting called for this purpose after providing notice to all parents of pupils in grades seven through twelve in the school district. Principals of individual schools within the district may waive the damage deposit requirement for any textbook or other item if the payment of the damage deposit would create an economic hardship for the pupil. The school district shall return the full amount of the damage deposit for any textbook or other item if the pupil returns the textbook or other item in reasonably good condition within the time period prescribed by the governing board. For the purposes of this paragraph, "in reasonably good condition" means the textbook or other item is in the same or a similar condition as it was when the pupil received it, plus ordinary wear and tear.

29. Notwithstanding section 15-1105, expend surplus monies in the civic center school fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1105.

30. Notwithstanding section 15-1143, expend surplus monies in the community school program fund for maintenance and operations or unrestricted
capital outlay, if sufficient monies are available in the fund after meeting
the needs of programs established pursuant to section 15-1142.

31. Adopt guidelines for standardization of the format of the school
report cards required by section 15-746 for schools within the district.

32. Adopt policies that require parental notification when a law
enforcement officer interviews a pupil on school grounds. Policies adopted
pursuant to this paragraph shall not impede a peace officer from the
performance of the peace officer's duties. If the school district governing
board adopts a policy that requires parental notification:
   (a) The policy may provide reasonable exceptions to the parental
   notification requirement.
   (b) The policy shall set forth whether and under what circumstances a
   parent may be present when a law enforcement officer interviews the pupil,
   including reasonable exceptions to the circumstances under which a parent may
   be present when a law enforcement officer interviews the pupil, and shall
   specify a reasonable maximum time after a parent is notified that an
   interview of a pupil by a law enforcement officer may be delayed to allow the
   parent to be present.

33. Enter into voluntary partnerships with any party to finance with
funds other than school district funds and cooperatively design school
facilities that comply with the adequacy standards prescribed in section
15-2011 and the square footage per pupil requirements pursuant to section
15-2041, subsection D, paragraph 3, subdivision (b). The design plans and
location of any such school facility shall be submitted to the school
facilities board for approval pursuant to section 15-2041, subsection 0. If
the school facilities board approves the design plans and location of any
such school facility, the party in partnership with the school district may
cause to be constructed and the district may begin operating the school
facility before monies are distributed from the school facilities board
pursuant to section 15-2041. Monies distributed from the new school
facilities fund to a school district in a partnership with another party to
finance and design the school facility shall be paid to the school district
pursuant to section 15-2041. The school district shall reimburse the party
in partnership with the school district from the monies paid to the school
district pursuant to section 15-2041, in accordance with the voluntary
partnership agreement. Before the school facilities board distributes any
monies pursuant to this subsection, the school district shall demonstrate to
the school facilities board that the facilities to be funded pursuant to
section 15-2041, subsection 0 meet the minimum adequacy standards prescribed
in section 15-2011. If the cost to construct the school facility exceeds the
amount that the school district receives from the new school facilities fund,
the partnership agreement between the school district and the other party
shall specify that, except as otherwise provided by the other party, any such
excess costs shall be the responsibility of the school district. The school
district governing board shall adopt a resolution in a public meeting that an
analysis has been conducted on the prospective effects of the decision to operate a new school with existing monies from the school district's maintenance and operations budget and how this decision may affect other schools in the school district. If a school district acquires land by donation at an appropriate school site approved by the school facilities board and a school facility is financed and built on the land pursuant to this paragraph, the school facilities board shall distribute an amount equal to twenty per cent of the fair market value of the land that can be used for academic purposes. The school district shall place the monies in the unrestricted capital outlay fund and increase the unrestricted capital budget limit by the amount of the monies placed in the fund. Monies distributed under this paragraph shall be distributed from the new school facilities fund pursuant to section 15-2041. If a school district acquires land by donation at an appropriate school site approved by the school facilities board and a school facility is financed and built on the land pursuant to this paragraph, the school district shall not receive monies from the school facilities board for the donation of real property pursuant to section 15-2041, subsection F.

It is unlawful for:

(a) A county, city or town to require as a condition of any land use approval that a landowner or landowners that entered into a partnership pursuant to this paragraph provide any contribution, donation or gift, other than a site donation, to a school district. This subdivision only applies to the property in the voluntary partnership agreement pursuant to this paragraph.

(b) A county, city or town to require as a condition of any land use approval that the landowner or landowners located within the geographic boundaries of the school subject to the voluntary partnership pursuant to this paragraph provide any donation or gift to the school district except as provided in the voluntary partnership agreement pursuant to this paragraph.

(c) A community facilities district established pursuant to title 48, chapter 4, article 6 to be used for reimbursement of financing the construction of a school pursuant to this paragraph.

(d) A school district to enter into an agreement pursuant to this paragraph with any party other than a master planned community party. Any land area consisting of at least three hundred twenty acres that is the subject of a development agreement with a county, city or town entered into pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master planned community. For the purposes of this subdivision, "master planned community" means a land area consisting of at least three hundred twenty acres, which may be noncontiguous, that is the subject of a zoning ordinance approved by the governing body of the county, city or town in which the land is located that establishes the use of the land area as a planned area development or district, planned community development or district, planned unit development or district or other land use category or district that is
recognized in the local ordinance of such county, city or town and that
specifies the use of such land is for a master planned development.

34. Enter into an intergovernmental agreement with a presiding judge of
the juvenile court to implement a law related education program as defined in
section 15-154. The presiding judge of the juvenile court may assign
juvenile probation officers to participate in a law related education program
in any school district in the county. The cost of juvenile probation
officers who participate in the program implemented pursuant to this
paragraph shall be funded by the school district.

35. OFFER TO SELL OUTDATED LEARNING MATERIALS, EDUCATIONAL EQUIPMENT OR
FURNISHINGS AT A POSTED PRICE COMMENSURATE WITH THE VALUE OF THE ITEMS TO
PUPILS WHO ARE CURRENTLY ENROLLED IN THAT SCHOOL DISTRICT BEFORE THOSE
MATERIALS ARE OFFERED FOR PUBLIC SALE.

36. IF THE SCHOOL DISTRICT IS A SMALL SCHOOL DISTRICT AS DEFINED IN
SECTION 15-901, AND IF PERMITTED BY FEDERAL LAW, OPT OUT OF FEDERAL GRANT
OPPORTUNITIES IF THE GOVERNING BOARD DETERMINES THAT THE FEDERAL REQUIREMENTS
IMPOSE UNDULY BURDENSOME REPORTING REQUIREMENTS.

Sec. 15. Repeal
Section 15-342, Arizona Revised Statutes, as amended by Laws 2010,
chapter 117, section 6, is repealed.

Sec. 16. Section 15-491, Arizona Revised Statutes, is amended to read:
15-491. Elections on school property; exceptions
A. The governing board of a school district may, and on petition of
fifteen per cent of the school electors as shown by the poll list at the last
preceding annual school election shall, call an election for the following
purposes:
1. To locate or change the location of school buildings.
2. To purchase or sell school sites or buildings or sell school sites
pursuant to section 15-342 or to build school buildings, but the
authorization by vote of the school district shall not necessarily specify
the site to be purchased.
3. To decide whether the bonds of the school district shall be issued
and sold for the purpose of raising money for purchasing or leasing school
lots, for building or renovating school buildings, for supplying school
buildings with furniture, equipment and technology, for improving school
grounds, for purchasing pupil transportation vehicles or for liquidating any
indebtedness already incurred for such purposes. Bonds issued for furniture,
equipment and technology, other than fixtures, shall mature no later than the
July 1 that follows the fifth year after the bonds were issued. A school
district shall not issue class B bonds until the school district has
obligated in contract the entire proceeds of any class A bonds issued by the
school district. The total amount of class A and class B bonds issued by a
school district shall not exceed the debt limitations prescribed in article
IX, sections 8 and 8.1, Constitution of Arizona.
4. To lease for five or more years, as lessor or as lessee, school buildings or grounds. Approval by a majority of the school district electors voting authorizes the governing board to negotiate for and enter into a lease. The ballot shall list the school buildings or grounds for which a lease is sought. If the governing board does not enter into a lease of five or more years of the school buildings or grounds listed on the ballot within five years of the date of the election and the board continues to seek such a lease, the governing board shall call a special election to reauthorize the board to negotiate for and to enter into a lease of five or more years.

5. TO CHANGE THE LIST OF CAPITAL PROJECTS OR THE PURPOSES AUTHORIZED BY PRIOR VOTER APPROVAL TO ISSUE BONDS.

6. TO EXTEND FROM SIX TO TEN YEARS THE TIME PERIOD TO ISSUE CLASS B BONDS AUTHORIZED IN 2009 OR EARLIER. ELECTIONS PURSUANT TO THIS PARAGRAPH MAY NOT BE HELD LATER THAN THE SIXTH NOVEMBER AFTER THE ELECTION APPROVING THE ISSUANCE OF THE BONDS.

B. No petition shall be required for the holding of the first election to be held in a joint common school district for any of the purposes specified in subsection A of this section. The notice of election required by section 15-492 shall be published in each of the counties that comprise the joint common school district. The certification of election results required by section 15-493 shall be made to the board of supervisors of the jurisdictional county.

C. When the election is called to determine whether or not bonds of the school district shall be issued and sold for the purposes enumerated in the call for the election, the question shall be submitted to the vote of the qualified electors of the school district as defined in section 15-401 and subject to section 15-402.

D. The governing board shall order the election to be held in the manner prescribed in title 35, chapter 3, article 3. If a petition for an election has been filed with the governing board as provided in subsection A of this section, the board shall act on the petition within sixty days by ordering the election to be held as provided in this subsection. If a school district bond election is scheduled for the same date a school district will hold an override election, the governing body shall deliver a copy of the notice of election and ballot to the county school superintendent who shall include the notice of election and ballot with the information report and ballot prepared for the override election. Mailing of the information required for both the override and bond elections shall constitute compliance with the notice provisions of this section.

E. The elections to be held pursuant to this section shall only be held on dates prescribed by section 16-204, except that elections held pursuant to this section to decide whether class B bonds shall be issued, or any other obligation incurred that will require the assessment of secondary property taxes, shall only be held on the first Tuesday after the first Monday of November.
F. Subsection A, paragraph 2 of this section does not apply to the sale of school property if the market value of the school property is less than fifty thousand dollars.

G. Bond counsel fees, financial advisory fees, printing costs and paying agent and registrar fees for bonds issued pursuant to an election under this section shall be paid from either the amount authorized by the qualified electors of the school district or current operating funds. Bond election expenses shall be paid from current operating funds only.

H. For any election conducted to decide whether class B bonds will be issued pursuant to this section:
   1. Except as provided in paragraph 2 of this subsection, the ballot shall include the following statement:
      The capital improvements that are proposed to be funded through this bond issuance are to exceed the state standards and are in addition to monies provided by the state.
      _________ school district is proposing to issue class B general obligation bonds totaling $__________ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, _________ school district is entitled to state monies for building renewal, new construction and renovation of school buildings in accordance with state law.
   2. For a school district that is a joint technical education district, the ballot shall include the following statement:
      _________, a joint technical education district, is proposing to issue class B general obligation bonds totaling $__________ to fund capital improvements at a campus owned or operated and maintained by the joint technical education district.
   3. The ballot shall contain the words "bond approval, yes" and "bond approval, no", and the voter shall signify the voter's desired choice.
   4. The ballot shall also contain the phrase "the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds".
   5. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the Arizona legislative council. The director of the Arizona legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the Arizona legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.
6. No later than thirty-five days before a class B bond election conducted pursuant to this section, the school district shall mail a publicity pamphlet to each household that contains a qualified elector in the school district. The publicity pamphlet shall contain, at a minimum, the following information:

(a) An executive summary of the school district's most recent capital plan submitted to the school facilities board.
(b) A complete list of each proposed capital improvement that will be funded with the proceeds of the bonds and a description of the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.
(c) The tax rate associated with each of the proposed capital improvements and the estimated cost of each capital improvement for the owner of a single family home that is valued at one hundred thousand dollars.

I. For any election conducted to decide whether impact aid revenue bonds shall be issued pursuant to this section:

1. The ballot shall include the following statement:

   The capital improvements that are proposed to be funded through this bond issuance are to exceed the state standards and are in addition to monies provided by the state.

   _________ school district is proposing to issue impact aid revenue bonds totaling $__________ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, _________ school district is entitled to state monies for building renewal, new construction and renovation of school buildings in accordance with state law.

2. The ballot shall contain the words "bond approval, yes" and "bond approval, no", and the voter shall signify the voter's desired choice.

3. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the legislative council. The director of the legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.

4. No later than thirty-five days before an impact aid revenue bond election conducted pursuant to this section, the school district shall mail a publicity pamphlet to each household that contains a qualified elector in the school district. The publicity pamphlet shall contain, at a minimum, the following information:
(a) The date of the election.
(b) The voter's polling place and the times it is open.
(c) An executive summary of the school district's most recent capital plan submitted to the school facilities board.
(d) A complete list of each proposed capital improvement that will be funded with the proceeds of the bonds and a description of the proposed cost of each improvement, including a separate aggregation of capital improvements for administrative purposes as defined by the school facilities board.
(e) A statement that impact aid revenue bonds will be fully funded by aid that the school district receives from the federal government and do not require a levy of taxes in the district.
(f) A statement that if the bonds are approved, the first priority for the impact aid will be to pay the debt service for the bonds and that other uses of the monies are prohibited until the debt service obligation is met.
(g) A statement that if the impact aid revenue bonds are approved, the school district shall not issue or sell class B bonds while the district has existing indebtedness from impact aid revenue bonds, except for bonds issued to refund any bonds issued by the board.

J. If the voters approve the issuance of school district class B bonds or impact aid revenue bonds, the school district shall not use the bond proceeds for any purposes other than the proposed capital improvements listed in the publicity pamphlet, except that up to ten per cent of the bond proceeds may be used for general capital expenses, including cost overruns of proposed capital improvements. THE PROPOSED CAPITAL IMPROVEMENTS MAY BE CHANGED BY A SUBSEQUENT ELECTION AS PROVIDED BY THIS SECTION.

K. Each school district that issues bonds under this section is required to hold a public meeting each year between September 1 and October 31, until the bond proceeds are spent, at which an update of the progress of capital improvements financed through bonding is discussed and at which the public is permitted an opportunity to comment. At a minimum, the update shall include a comparison of the current status and the original projections on the construction of capital improvements, the costs of capital improvements and the costs of capital improvements in progress or completed since the prior meeting and the future capital bonding plans of the school district. The school district shall include in the public meeting a discussion of the school district's use of state capital aid and voter-approved capital overrides in funding capital improvements, if any.

L. IF AN ELECTION IS HELD TO CHANGE THE PURPOSE OR LIST OF CAPITAL PROJECTS AUTHORIZED BY PRIOR VOTER APPROVAL TO ISSUE BONDS PURSUANT TO SUBSECTION A, PARAGRAPH 5 OF THIS SECTION, THE FOLLOWING REQUIREMENTS APPLY:
1. THE ELECTION MAY BE HELD ONLY ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER.
2. NO LATER THAN THIRTY-FIVE DAYS BEFORE THE ELECTION, THE SCHOOL
DISTRICT SHALL MAIL A PUBLICITY PAMPHLET TO EACH HOUSEHOLD IN THE SCHOOL
DISTRICT THAT CONTAINS A QUALIFIED ELECTOR. THE PUBLICITY PAMPHLET SHALL
CONTAIN, AT A MINIMUM, THE FOLLOWING INFORMATION:
(a) THE DATE OF THE ELECTION.
(b) THE VOTER'S POLLING PLACE AND THE TIMES IT IS OPEN.
(c) A STATEMENT AS TO WHY THE ELECTION WAS CALLED.
(d) A COMPLETE LIST OF EACH PROPOSED CAPITAL IMPROVEMENT THAT IS IN
ADDITION TO THE INITIAL CAPITAL IMPROVEMENTS PRESENTED IN THE PUBLICITY
PAMPHLET WHEN THE BONDS WERE APPROVED AND THE PROPOSED COST OF EACH
IMPROVEMENT, INCLUDING A SEPARATE AGGREGATION OF CAPITAL IMPROVEMENTS FOR
ADMINISTRATIVE PURPOSES AS DEFINED BY THE SCHOOL FACILITIES BOARD.
(e) A COMPLETE LIST OF EACH CAPITAL IMPROVEMENT THAT WAS PRESENTED IN
THE PUBLICITY PAMPHLET WHEN THE BONDS WERE INITIALLY APPROVED AND THAT IS
PROPOSED TO BE ELIMINATED OR TO HAVE ITS COST REDUCED, AND THE PROPOSED COST
OF EACH IMPROVEMENT, INCLUDING A SEPARATE AGGREGATION OF CAPITAL IMPROVEMENTS
FOR ADMINISTRATIVE PURPOSES AS DEFINED BY THE SCHOOL FACILITIES BOARD.
(f) ARGUMENTS FOR AND AGAINST THE PROPOSED CHANGE, IF SUBMITTED, AS
PROVIDED BY SECTION 15-481, SUBSECTION B, PARAGRAPH 9.
3. THE BALLOT SHALL CONTAIN THE WORDS "CHANGE CAPITAL IMPROVEMENTS,
YES" AND "CHANGE CAPITAL IMPROVEMENTS, NO", AND THE VOTER SHALL SIGNIFY THE
VOTER'S DESIRED CHOICE.
4. IF THE ELECTION IS TO ADD A PURPOSE THAT WAS NOT ON THE INITIAL
BALLOT, THE BALLOT SHALL LIST THE PURPOSE THAT IS PROPOSED TO BE ADDED.
M. IF AN ELECTION IS HELD TO EXTEND THE TIME TO ISSUE BONDS PURSUANT
TO SUBSECTION A, PARAGRAPH 6 OF THIS SECTION, THE FOLLOWING REQUIREMENTS
APPLY:
1. THE ELECTION MAY BE HELD ONLY ON THE FIRST TUESDAY AFTER THE FIRST
MONDAY IN NOVEMBER.
2. NO LATER THAN THIRTY-FIVE DAYS BEFORE THE ELECTION, THE SCHOOL
DISTRICT SHALL MAIL A PUBLICITY PAMPHLET TO EACH HOUSEHOLD IN THE SCHOOL
DISTRICT THAT CONTAINS A QUALIFIED ELECTOR. THE PUBLICITY PAMPHLET SHALL
CONTAIN, AT A MINIMUM, THE FOLLOWING INFORMATION:
(a) THE DATE OF THE ELECTION.
(b) THE VOTER'S POLLING PLACE AND THE TIMES IT IS OPEN.
(c) A STATEMENT AS TO WHY THE ELECTION WAS CALLED.
(d) ARGUMENTS FOR AND AGAINST THE PROPOSED CHANGE, IF SUBMITTED, AS
PROVIDED IN SECTION 15-481, SUBSECTION B, PARAGRAPH 9.
3. THE BALLOT SHALL CONTAIN THE WORDS "EXTEND TIME TO ISSUE BONDS,
YES" AND "EXTEND TIME TO ISSUE BONDS, NO", AND THE VOTER SHALL SIGNIFY THE
VOTER'S DESIRED CHOICE.
Sec. 17. Section 15-756.02, Arizona Revised Statutes, is amended to read:

15-756.02. School districts and charter schools; English language learner models; adoption and implementation

A. Each school district governing board and each governing body of a charter school shall select one or more of the task force approved models for structured English immersion for implementation on a school by school basis.

B. If a school district or charter school wants to adopt an English language learner program that is not based on a model adopted by the task force, the school district or charter school shall first submit the proposed program along with supporting documentation regarding the expected outcomes of the program on the district's or charter school's English language learner students to the task force for approval.

C. On receipt of a proposed program from a school district or charter school, the task force may do one of the following:
   1. Approve the proposed program.
   2. Provide limited approval subject to specific stipulations prescribed by the state board.
   3. Reject the proposed program and identify a model approved by the task force for the school district or charter school to adopt.

D. School districts and charter schools shall include a copy of the adopted English language learner program in the annual report required in section 15-756.10.

Sec. 18. Section 15-756.10, Arizona Revised Statutes, is amended to read:

15-756.10. Reporting

The office of English language acquisition services in the department of education shall:
   1. Require each school district and charter school to annually submit a report to the department of education that includes the following information identified by grade level and by school:
      (a) The total number of pupils who are classified as English language learners as verified by the student accountability information system established by section 15-1041.
      (b) The number of pupils who are classified as English language learners for the first time as verified by the student accountability information system established by section 15-1041.
      (c) The number of English language learners who achieved English proficiency in the past academic year and who have been reclassified as English proficient as verified by the student accountability information system established by section 15-1041.
      (d) The number of pupils who are enrolled in each type of language acquisition program offered by the school district or charter school as
verified by the student accountability information system established by section 15-1041.
(e) If requested by the department of education, the test data used to determine English proficiency.

2. Determine the mobility of English language learners within the same school district and the mobility of English language learners to other school districts and charter schools through the student accountability information system established by section 15-1041.

3. Submit an annual A BIENNIAL report to the joint legislative budget committee that includes an itemized list of all federal monies received by the department for English language learners, a list of how much of these monies were distributed to school districts on a district by district basis and the purposes for which these federal monies are designated. The department shall submit a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

4. Submit an annual A BIENNIAL report to the governor, the president of the senate, the speaker of the house of representatives and the state board of education that includes a detailed analysis of whether and to what extent pupils are benefiting academically from compensatory instruction as defined in section 15-756.11 and a comparison of the academic achievement of pupils before and after receiving compensatory instruction as defined in section 15-756.11. The department shall submit a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

5. Present a detailed annual BIENNIAL summary of all English language learner programs and funding at a public meeting of the state board of education.

6. Present a summary of information relating to the demonstrated success of schools and school districts at achieving English proficiency for English language learners.

Sec. 19. Section 15-914, Arizona Revised Statutes, is amended to read:

15-914. Financial and compliance audits

A. The governing board of a school district that is required to comply with the single audit act amendments of 1996 (P.L. 104-156; 110 Stat. 1396; 31 United States Code sections 7501 through 7507) shall contract for at least annual financial and compliance audits of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the school district. Beginning with fiscal year 2003-2004, The governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of two million dollars or more for the maintenance and operation fund pursuant to section 15-905 shall contract for an annual financial statement audit. Beginning with fiscal year 2004-2005, The governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of less than two million dollars but more than seven hundred thousand dollars
for the maintenance and operation fund pursuant to section 15-905 shall contract for a biennial financial statement audit. An independent certified public accountant shall conduct the audit in accordance with generally accepted governmental auditing standards. To the extent permitted by federal law, a school district that is required to participate in an annual audit pursuant to this subsection may convert to a biennial audit schedule if the previous annual audit did not contain any significant negative findings. If a biennial audit of a school district conducted pursuant to this subsection contains any significant negative findings, the school district shall convert back to an annual audit schedule. If a school district is required to convert back to an annual audit schedule pursuant to this subsection because of significant negative findings, the school district may subsequently convert to a biennial audit schedule if the previous two annual audits did not contain any significant negative findings. For the purposes of this subsection, "significant negative finding" means a finding that results in the issuance of a letter of noncompliance from the auditor general.

B. The governing board of a charter school that is required to comply with the single audit act amendments of 1996 shall contract for an annual financial and compliance audit of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the charter school. IF PERMITTED BY FEDERAL LAW, A CHARTER SCHOOL MAY CONVERT TO A BIENNIAL AUDIT SCHEDULE IF THE PREVIOUS ANNUAL AUDIT CONDUCTED PURSUANT TO THIS SUBSECTION DID NOT CONTAIN ANY SIGNIFICANT NEGATIVE FINDINGS AND THE CHARTER SCHOOL AGREES TO CONTRACT WITH A DIFFERENT AUDITOR AT LEAST ONCE EVERY SIX YEARS.

C. A charter school that is not subject to the single audit act amendments of 1996 shall contract for at least an annual financial statement audit conducted in accordance with generally accepted governmental auditing standards. An independent certified public accountant shall conduct the audit. IF PERMITTED BY FEDERAL LAW, A CHARTER SCHOOL MAY CONVERT TO A BIENNIAL AUDIT SCHEDULE IF THE PREVIOUS ANNUAL AUDIT CONDUCTED PURSUANT TO THIS SUBSECTION DID NOT CONTAIN ANY SIGNIFICANT NEGATIVE FINDINGS AND THE CHARTER SCHOOL AGREES TO CONTRACT WITH A DIFFERENT AUDITOR AT LEAST ONCE EVERY SIX YEARS.

D. For all audits referred to in subsections A, B and C of this section, the independent certified public accountant shall submit a uniform system of financial records compliance questionnaire to the auditor general with the applicable audit reports.

E. Contracts for all financial and compliance audits and financial statement audits and the completed audits shall be approved by the auditor general as provided in section 41-1279.21. Contracts for all financial and compliance audits and financial statement audits shall comply with the rules for competitive sealed proposals as prescribed by the state board of education in section 15-213.
F. If the school district or charter school will incur costs of financial and compliance audits for the budget year, the governing board of a school district or the governing body of the charter school may increase its base support level for the budget year by an amount equal to the amount expended for the district's or charter school's financial and compliance audits in the year before the current year, increased by the growth rate as prescribed by law, subject to appropriation. In determining the amount expended for the district's or charter school's financial and compliance audits, the school district or charter school shall include only the portion of the audit that must be paid from monies other than federal monies. The department of education and the auditor general shall prescribe a method for determining the increase in the base support level and shall include in the maintenance and operation section of the budget format, as provided in section 15-903, a separate line for financial and compliance audits expenditures.

G. Beginning in fiscal year 2003-2004, Every audit contract shall include a systematic review of average daily membership, as defined in section 15-901, using methodology that is consistent with guidelines established by the auditor general. The auditor general shall consider cost when establishing guidelines pursuant to this subsection and, to the extent possible, shall attempt to minimize the cost of the review. The purpose of the review is to determine whether the average daily membership reported by the charter school or school district is in compliance with the laws of this state and the uniform systems of financial records for charter schools and school districts.

Sec. 20. Section 15-991, Arizona Revised Statutes, is amended to read:

15-991. Annual estimate by county school superintendent of monies for ensuing year

A. The county school superintendent, not later than August 1 THE FIFTH DAY AFTER THE BOARD OF SUPERVISORS HAS ADOPTED TAX RATES each year, shall file in writing with the governing board of each school district in the county, the board of supervisors and the property tax oversight commission the superintendent's estimate of the amount of school monies required by each school district for the ensuing year, based on the budgets adopted by the governing boards of the school districts. The estimate shall contain:

1. A statement of the student count of each school district.
2. The total amount to be received for the year by each school district from the county school fund and the special county school reserve fund.
3. The projected ending cash balance from the previous year adjusted for encumbrances and payables for each school district as provided by the school district and as certified by the president of the school district governing board. A governing board may delegate to a superintendent, head teacher or business manager the authority to certify the projected cash balance.
4. The anticipated interest earnings for each school district.

5. Revenues equal to the amount included in the adopted budget for the maintenance and operation section of the budget permitted by section 15-947, subsection C, paragraph 2, subdivision (a), items (ii), (iii), (iv), (v) and (vi) and subdivision (d). The county school superintendent shall subtract from each school district's budgeted expenditures the total amount of estimated revenues including the projected ending cash balance from the previous year adjusted for encumbrances and payables in order to estimate the additional amounts needed for each school district from the primary property tax and the secondary property tax. The county school superintendent shall certify such amounts to the board of supervisors and the property tax oversight commission in writing at the time of filing the estimate. When estimating the additional amount needed from the primary property tax for a school district that is not eligible for any equalization assistance as provided in section 15-971, the county school superintendent shall include the school district governing board's estimate of the increase in the revenue control limit as prescribed by section 15-948 for the applicable year, except that the percentage increase in average daily membership used to compute the estimated increase in the revenue control limit may not exceed the average of the percentage increase in average daily membership in the three years before the year for which the estimate is made.

B. The county school superintendent shall recompute equalization assistance for education for each school district as provided in section 15-971, subsection A using the property values provided by the county assessor as provided in section 42-17052. The county school superintendent shall certify in writing the amount of equalization assistance for education and the amount needed for each school district from the primary property tax to the board of supervisors and the property tax oversight commission on or before the third day prior to BEFORE the day the board of supervisors is required to levy school district taxes as provided in section 15-992.

C. The county school superintendent shall compute the additional amount to be levied as provided in section 15-992, subsection B, using the property values provided in section 42-17052. The county school superintendent shall certify in writing the additional amount to be levied to the county board of supervisors and the property tax oversight commission on or before the third day prior to BEFORE the day the board of supervisors is required to levy school district taxes as provided in section 15-992.

D. On or before September 1, the governing board of a school district shall file with the county school superintendent an estimate of the amount of title VIII of the elementary and secondary education act of 1965 monies it is eligible to receive during the current year. On or before June 1, the governing board shall file with the county school superintendent and the superintendent of public instruction a statement of the actual amount of title VIII of the elementary and secondary education act of 1965 monies it
received during the current year. This subsection does not apply to accommodation schools.

E. The department may collect any other similar or related information from school districts that the department may determine is necessary to carry out the purposes of this section.

Sec. 21. Section 15-2031, Arizona Revised Statutes, is amended to read:

15-2031. Building renewal fund; definitions

A. A building renewal fund is established consisting of monies appropriated by the legislature. The school facilities board shall administer the fund and distribute monies to school districts for the purpose of maintaining the adequacy of existing school facilities. Monies in the fund are continuously appropriated and are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

B. The school facilities board shall inventory and inspect all school buildings in this state in order to develop a database to administer the building renewal formula. The database shall include the student capacity of the building as determined by the school facilities board. The board shall distribute monies from the building renewal fund to school districts in an amount computed pursuant to subsection I of this section. A school district that receives monies from the building renewal fund shall use the monies first for any projects that fall below the minimum school facility adequacy guidelines, as adopted by the school facilities board pursuant to section 15-2011, and that are part of any buildings in the database and second for any other projects that are part of any buildings owned by the school district for any of the following:

1. Major renovations and repairs of a building.
2. Upgrading systems and areas that will maintain or extend the useful life of the building.
3. Infrastructure costs.
4. Relocation and placement of portable and modular buildings.

C. Monies received from the building renewal fund shall be used for primary projects, unless only secondary projects exist.

D. Notwithstanding subsections B and C of this section, school districts shall use building renewal monies on secondary projects to comply with building, health, fire or safety codes. Before spending building renewal monies on secondary projects to comply with building, health, fire or safety codes, the school facilities board shall approve the projects.

E. Monies received from the building renewal fund shall not be used for any of the following purposes:

1. New construction.
2. Remodeling interior space for aesthetic or preferential reasons.
3. Exterior beautification.
4. Demolition.
5. The purchase of soft capital items pursuant to section 15-962, subsection D.

6. Routine maintenance except as provided in section 15-2002, subsection K and subsection L of this section.

F. The school facilities board shall maintain the building renewal database and use the database for the computation of the building renewal formula distributions. The board shall ensure that the database is updated on at least an annual basis to reflect changes in the ages and value of school buildings. The facilities listed in the database shall include only those buildings that are owned by school districts that are required to meet academic standards. Each school district shall BIENNALLY report to the school facilities board no later than October 15 of each year the number and type of school buildings owned by the district, the square footage of each building, the age of each building, the nature of any renovations completed and the cost of any renovations completed. The school facilities board may review or audit, or both, to confirm the information submitted by a school district. If a joint technical education district leases a building from a school district, that building shall not be included in the school district's square footage calculation for the purposes of determining the school district's building renewal distribution pursuant to this section. The board shall adjust the age of each school facility in the database whenever a building is significantly upgraded or remodeled. The age of a building that has been significantly upgraded or remodeled shall be recomputed as follows:

1. Divide the cost of the renovation by the building capacity value of the building determined in subsection I, paragraph 3 of this section.

2. Multiply the quotient determined in paragraph 1 of this subsection by the currently listed age of the building in the database.

3. Subtract the product determined in paragraph 2 of this subsection from the currently listed age of the building in the database, rounded to the nearest whole number. If the result is negative, use zero.

G. The school facilities board shall submit electronically an annual report to the president of the senate, the speaker of the house of representatives, the Arizona state library, archives and public records SECRETARY OF STATE and the governor by October 1 that includes the computation of the amount of monies to be distributed from the building renewal fund for the current fiscal year. The joint committee on capital review shall review the school facilities board's calculation of the building renewal fund distributions. After the joint committee on capital review reviews the distributions computed by the school facilities board, the school facilities board shall distribute the monies from the building renewal fund to school districts in two equal installments in November and May of each year.

H. School districts that receive monies from the building renewal fund shall establish a district building renewal fund and shall use the monies in the district building renewal fund only for the purposes prescribed in
subsection B of this section. Ending cash balances in a school district's building renewal fund may be used in following fiscal years for building renewal pursuant to subsection B of this section. By October 15 of each year, each school district shall report to the school facilities board the projects funded at each school in the previous fiscal year with monies from the district building renewal fund, including the amount of expenditures dedicated to primary projects and to secondary projects. On receipt of these reports, the school facilities board shall forward this information to the joint legislative budget committee staff and the governor's office of strategic planning and budgeting staff. Each school district shall also report to the school facilities board an accounting of the monies remaining in the district building renewal fund at the end of the previous fiscal year and a comprehensive three year plan that details the proposed use of building renewal monies. If a school district fails to submit the report by October 15 or the information required by subsection F of this section, the school facilities board shall withhold building renewal monies from the school district until the school facilities board determines that the school district has complied with the reporting requirement. When the school facilities board determines that the school district has complied with the reporting requirement, the school facilities board shall restore the full amount of withheld building renewal monies to the school district.

I. Notwithstanding any other provision of this chapter, if a school district converts space that is listed in the database maintained pursuant to this section to space that will be used for administrative purposes, the school district is responsible for any costs associated with the conversion, maintenance and replacement of that space. The building renewal amount for each school building shall be computed as follows:

1. Divide the age of the building as computed pursuant to subsection F of this section by one thousand two hundred seventy-five or, in the case of modular or portable buildings, by two hundred ten.

2. Multiply the quotient determined in paragraph 1 of this subsection by 0.67.

3. Determine the building capacity value as follows:
   (a) Multiply the student capacity of the building by the per student square foot capacity established by section 15-2041.
   (b) Multiply the product determined in subdivision (a) by the cost per square foot established by section 15-2041.

4. Multiply the product determined in paragraph 2 of this subsection by the product determined in paragraph 3, subdivision (b) of this subsection.

J. If the school facilities board determines that a school district has spent monies from the building renewal fund for purposes other than those prescribed in subsection B of this section, the school facilities board shall notify the superintendent of public instruction. Notwithstanding any other law, the superintendent of public instruction shall withhold a corresponding
amount from the monies that would otherwise be due the school district under the capital outlay revenue limit until these monies are repaid.

K. A school district is not entitled to receive monies from the building renewal fund for any buildings that are to be replaced with new buildings that are funded with deficiencies corrections monies. The replacement buildings are not eligible to receive building renewal funding until the fiscal year following the completion of the building.

L. Notwithstanding subsections B and E of this section, a school district may use eight per cent of the building renewal amount computed pursuant to subsection I of this section for routine preventative maintenance. The board, after consultation with maintenance specialists in school districts, shall provide examples of recommended services that are routine preventative maintenance.

M. A school district that uses building renewal monies for routine preventative maintenance shall use the building renewal monies to supplement and not supplant expenditures from other funds for the maintenance of school buildings. The auditor general shall prescribe a method for determining compliance with the requirements of this subsection. A school district, in connection with any audit conducted by a certified public accountant, shall also contract for an independent audit to determine whether the school district used building renewal monies to reduce the school district's existing level of routine preventative maintenance funding. The auditor general may conduct discretionary reviews of a school district that is not required to contract for an independent audit.

N. For the purposes of this section:

1. "Primary projects" means projects that are necessary for buildings owned by school districts that are required to meet the academic standards listed in the database maintained pursuant to subsection F of this section and that fall below the minimum school facility adequacy guidelines, as adopted by the school facilities board pursuant to section 15-2011.

2. "Routine preventative maintenance" means services that are performed on a regular schedule at intervals ranging from four times a year to once every three years and that are intended to extend the useful life of a building system and reduce the need for major repairs.

3. "Secondary projects" means all projects that are not primary projects.

4. "Student capacity" has the same meaning prescribed in section 15-2011.

Sec. 22. Section 41-4604, Arizona Revised Statutes, is amended to read:

41-4604. Debt reporting by local government

A. All local governments shall report to the department of revenue all incurred debt, including date of issue, purpose, original amount, current balance, interest paid to date and interest paid in the latest full fiscal
year according to a schedule determined by the department of revenue AS
PRESCRIBED BY SECTION 35-501.

B. The department of revenue shall maintain an online accessible and
searchable database and, subject to approval by the joint legislative budget
committee, may require additional information not listed in this section.

Sec. 23. Section 43-1089.01, Arizona Revised Statutes, is amended to
read:

43-1089.01. Tax credit; public school fees and contributions;
definitions

A. A credit is allowed against the taxes imposed by this title for the
amount of any fees or cash contributions by a taxpayer or on the taxpayer's
behalf pursuant to section 43-401, subsection I during the taxable year to a
public school located in this state for the support of extracurricular
activities or character education programs OR, FOR TAXABLE YEARS ENDING
BEFORE DECEMBER 31, 2014, TECHNOLOGY, PROFESSIONAL DEVELOPMENT, SUPPLIES,
STUDENT ASSESSMENT EXPENSES AND FEES OR LITERACY DEVELOPMENT INCLUDING
CLASSROOM AND LIBRARY MATERIALS, LITERACY ASSESSMENTS AND LITERACY COACHES
of the public school, but not exceeding:

1. Two hundred dollars for a single individual or a head of household.
2. Three hundred dollars in taxable year 2005 for a married couple
filing a joint return.
3. Four hundred dollars in taxable year 2006 and any subsequent
taxable year for a married couple filing a joint return.

B. A husband and wife who file separate returns for a taxable year in
which they could have filed a joint return may each claim only one-half of
the tax credit that would have been allowed for a joint return.

C. The credit allowed by this section is in lieu of any deduction
pursuant to section 170 of the internal revenue code and taken for state tax
purposes.

D. If the allowable tax credit exceeds the taxes otherwise due under
this title on the claimant's income, or if there are no taxes due under this
title, the taxpayer may carry the amount of the claim not used to offset the
taxes under this title forward for not more than five consecutive taxable
years' income tax liability.

E. The site council of the public school that receives contributions
that are not designated for a specific purpose shall determine how the
contributions are used at the school site. If a charter school does not have
a site council, the principal, director or chief administrator of the charter
school shall determine how the contributions that are not designated for a
specific purpose are used at the school site.

F. A public school that receives fees or a cash contribution pursuant
to subsection A of this section shall report to the department, in a form
prescribed by the department, by February 28 of each year the following information:
1. The total number of fee and cash contribution payments received during the previous calendar year.
2. The total dollar amount of fees and contributions received during the previous calendar year.
3. The total dollar amount of fees and contributions spent by the school during the previous calendar year.

G. CONTRIBUTIONS RECEIVED BY A PUBLIC SCHOOL PURSUANT TO THIS SECTION MAY BE USED FOR EXTRACURRICULAR ACTIVITIES AS FOLLOWS:
1. NO MORE THAN TWO HUNDRED DOLLARS MAY BE USED ON BEHALF OF ANY SINGLE PUPIL IN THE SAME FISCAL YEAR FOR EXTRACURRICULAR ACTIVITIES CONDUCTED IN ANOTHER STATE.
2. NO MORE THAN EIGHT HUNDRED DOLLARS PER PUPIL MAY BE USED ON BEHALF OF ANY SINGLE PUPIL IN THE SAME FISCAL YEAR FOR EXTRACURRICULAR ACTIVITIES CONDUCTED OUTSIDE THE UNITED STATES.
3. UNENCUMBERED CONTRIBUTIONS RECEIVED IN ANY PREVIOUS FISCAL YEAR MAY BE USED FOR EXTRACURRICULAR ACTIVITIES IN ANY SUBSEQUENT FISCAL YEAR.

H. For the purposes of this section:
1. "Character education programs" means a program described in section 15-719.
2. "Extracurricular activities" means school sponsored activities that require enrolled students to pay a fee in order to participate, including fees for:
   (a) Band uniforms.
   (b) Equipment or uniforms for varsity athletic activities.
   (c) Scientific laboratory materials.
   (d) In-state or out-of-state trips that are solely for competitive events. Extracurricular activities do not include any senior trips or events that are recreational, amusement or tourist activities.
3. "Public school" means a school that is part of a school district, a joint technical education district or a charter school.

Sec. 24. Classroom site fund; budget capacity amount for fiscal year 2011-2012
Notwithstanding section 15-977, subsection G, paragraph 1, Arizona Revised Statutes, for fiscal year 2011-2012 the budget capacity derived from the classroom site fund shall be one hundred twenty dollars per pupil.

Sec. 25. Spending level for teacher compensation in fiscal year 2012-2013
Notwithstanding the nonsupplanting requirements of section 15-977, subsection A, Arizona Revised Statutes, school districts and charter schools that use sources other than classroom site fund monies for teacher compensation in fiscal year 2011-2012 as a result of the adjustment for prior year shortfalls in the fiscal year 2011-2012 per pupil amount as calculated by the joint legislative budget committee pursuant to section 15-977, subsection G, paragraph 1, Arizona Revised Statutes, are not required to
maintain this higher level of spending for teacher compensation from other sources in fiscal year 2012-2013.

Sec. 26. Override revenue control limit for fiscal years 2011-2012 and 2012-2013

In fiscal years 2011-2012 and 2012-2013, for the purposes of section 15-481, Arizona Revised Statutes, “revenue control limit” means an adjusted revenue control limit calculated using an adjusted base support level as follows:

1. For the base level, use the greater of the actual base level plus the percentage increases prescribed by section 15-901, subsection B, paragraph 2, or three thousand two hundred sixty-seven dollars seventy-two cents.

2. If kindergarten pupils are counted as fractional students, when determining the weighted student count, include the greater of the actual support level weight for kindergarten pupils only, if any, or a Group B support level weight of 1.352 for kindergarten pupils only.

Sec. 27. Use of school district monies in unrestricted capital outlay fund for fiscal years 2011-2012 and 2012-2013

Notwithstanding section 15-903, Arizona Revised Statutes, in fiscal years 2011-2012 and 2012-2013, except for monies provided by section 15-481, Arizona Revised Statutes, and section 15-2041, subsection F, Arizona Revised Statutes, monies in the unrestricted capital outlay fund may be expended for any capital or operational purpose.

Sec. 28. Use of maintenance and operation budget balance monies for fiscal years 2011-2012 and 2012-2013

Notwithstanding section 15-943.01, Arizona Revised Statutes, the governing board of a school district may budget any budget balance in the maintenance and operation section of the budget, from the current fiscal year for use in the maintenance and operation section of the budget in fiscal year 2011-2012 or 2012-2013, or in each fiscal year. In fiscal years 2011-2012 and 2012-2013, the amount that may be budgeted as the budget balance carryforward in any one fiscal year may exceed the four per cent limitation prescribed in section 15-943.01, Arizona Revised Statutes.


Sec. 30. Temporary suspension of ELL and school building reporting requirements

A. Notwithstanding section 15-756.10, Arizona Revised Statutes, as amended by this act, in fiscal years 2011-2012, 2012-2013 and 2013-2014, school districts and charter schools are not required to submit the reports prescribed in section 15-756.10, Arizona Revised Statutes.

B. Notwithstanding section 15-2031, Arizona Revised Statutes, as amended by this act, in fiscal years 2011-2012, 2012-2013 and 2013-2014, school districts are not required to submit the report prescribed in section 15-2031, subsection F, Arizona Revised Statutes.

Sec. 31. Effective date

Section 15-342, Arizona Revised Statutes, as amended by Laws 2010, chapter 332, section 10 and this act, is effective from and after June 30, 2013.