

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1419

AN ACT

AMENDING SECTION 11-251, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 238, SECTION 1; REPEALING SECTION 11-251, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 2; 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 SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 333, SECTION 3; REPEALING SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 4; AMENDING SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; REPEALING SECTION 15-241, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 247, SECTION 1; REPEALING SECTION 15-342, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 117, SECTION 6; AMENDING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 285, SECTION 1 AND CHAPTER 306, SECTION 3; REPEALING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 5; AMENDING SECTION 15-808, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 5; REPEALING SECTION 15-808, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 10; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 8, SECTION 2 AND LAWS 2010, SECOND REGULAR SESSION, CHAPTER 220, SECTION 2, CHAPTER 306, SECTION 6 AND CHAPTER 332, SECTION 15; REPEALING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER

318, SECTION 12; AMENDING SECTION 15-1021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 17, SECTION 16; REPEALING SECTION 15-1021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 19; AMENDING SECTION 15-1371, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 14; REPEALING SECTION 15-1371, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 20; AMENDING SECTION 15-1372, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 15; REPEALING SECTION 15-1372, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 21; AMENDING SECTION 15-1682.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, SEVENTH SPECIAL SESSION, CHAPTER 12, SECTION 8; REPEALING SECTION 15-1682.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2011, SECOND SPECIAL SESSION, CHAPTER 1, SECTION 9; AMENDING SECTION 15-1782, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 257, SECTION 1; REPEALING SECTION 15-1782, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 21; AMENDING SECTION 15-1783, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 257, SECTION 2; REPEALING SECTION 15-1783, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 22; AMENDING SECTION 26-263, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 208, SECTION 4; REPEALING SECTION 26-263, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 30; AMENDING SECTION 32-2183, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 144, SECTION 2; REPEALING SECTION 32-2183, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 19; REPEALING SECTION 34-201, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 117, SECTION 12; AMENDING SECTION 37-132, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 243, SECTION 6; REPEALING SECTION 37-132, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 244, SECTION 27; RELATING TO MULTIPLE, DEFECTIVE AND CONFLICTING LEGISLATIVE DISPOSITIONS OF STATUTORY TEXT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Purpose

3 1. Section 11-251, Arizona Revised Statutes, was amended by Laws 2010,
4 chapter 238, section 1 and chapter 244, section 2. The chapter 244 version
5 could not be blended because of the delayed effective date. In order to
6 combine these versions, this act amends the Laws 2010, chapter 238 version of
7 section 11-251, Arizona Revised Statutes, to incorporate the amendments made
8 by Laws 2010, chapter 244 and the chapter 244 version is repealed.

9 2. Section 15-185, Arizona Revised Statutes, was amended by Laws 2010,
10 seventh special session, chapter 8, section 1 and Laws 2010, second regular
11 session, chapter 17, section 2, chapter 306, section 1, chapter 318, section
12 1, chapter 332, section 4 and chapter 333, section 2. The chapter 318
13 version could not be blended because of the delayed effective date. In order
14 to combine these versions, this act amends the blend version of section
15 15-185, Arizona Revised Statutes, to incorporate the amendments made by Laws
16 2010, chapter 318 and the chapter 318 version is repealed.

17 3. Section 15-241, Arizona Revised Statutes, was amended by Laws 2010,
18 chapter 247, section 1, chapter 318, section 4 and chapter 333, section 3.
19 The chapter 247 version and the chapter 318 version could not be blended
20 because of the delayed effective dates. In order to combine these versions,
21 this act amends the Laws 2010, chapter 333 version of section 15-241, Arizona
22 Revised Statutes, to incorporate the amendments made by Laws 2010, chapter
23 318 and then amends that version of section 15-241, Arizona Revised Statutes,
24 to incorporate the amendments made by Laws 2010, chapter 247 and the chapter
25 318 and chapter 247 versions are repealed.

26 4. Section 15-342, Arizona Revised Statutes, was amended by Laws 2010,
27 chapter 117, section 6 and chapter 332, sections 9 and 10. The chapter 332,
28 section 10 version could not be blended because of the intervening amendment
29 by chapter 332, section 9. The Laws 2010, chapter 332, section 10 version
30 contains amendments identical to those made by the Laws 2010, chapter 117
31 version. In order to eliminate the unnecessary duplicative version of
32 section 15-342, Arizona Revised Statutes, this act repeals the chapter 117
33 version.

34 5. Section 15-393, Arizona Revised Statutes, was amended by Laws 2010,
35 chapter 285, section 1, chapter 306, section 3 and chapter 318, section 5.
36 The chapter 318 version could not be blended because of the delayed effective
37 date. In order to combine these versions, this act amends the blend version
38 of section 15-393, Arizona Revised Statutes, to incorporate the amendments
39 made by Laws 2010, chapter 318 and the chapter 318 version is repealed.

40 6. Section 15-808, Arizona Revised Statutes, was amended by Laws 2010,
41 chapter 306, section 5 and chapter 318, section 10. The chapter 318 version
42 could not be blended because of the delayed effective date. In order to
43 combine these versions, this act amends the chapter 306 version of section
44 15-808, Arizona Revised Statutes, to incorporate the amendments made by Laws
45 2010, chapter 318 and the chapter 318 version is repealed.

1 7. Section 15-901, Arizona Revised Statutes, was amended by Laws 2010,
2 seventh special session, chapter 8, section 2 and Laws 2010, second regular
3 session, chapter 220, section 2, chapter 306, section 6, chapter 318, section
4 12 and chapter 332, section 15. The chapter 318 version could not be blended
5 because of the delayed effective date. In order to combine these versions,
6 this act amends the blend version of section 15-901, Arizona Revised
7 Statutes, to incorporate the amendments made by Laws 2010, chapter 318 and
8 the chapter 318 version is repealed.

9 8. Section 15-1021, Arizona Revised Statutes, was amended by Laws
10 2010, chapter 318, section 19. However, this version did not reflect the
11 previous valid version of the section. In order to comply with article IV,
12 part 2, section 14, Constitution of Arizona, this act amends section 15-1021,
13 Arizona Revised Statutes, as amended by Laws 2010, chapter 17, section 16, to
14 incorporate the amendments made by Laws 2010, chapter 318 and the chapter 318
15 version is repealed.

16 9. Section 15-1371, Arizona Revised Statutes, was amended by Laws
17 2010, chapter 306, section 14 and chapter 318, section 20. The chapter 318
18 version could not be blended because of the delayed effective date. In order
19 to combine these versions, this act amends the chapter 306 version of section
20 15-1371, Arizona Revised Statutes, to incorporate the amendments made by Laws
21 2010, chapter 318 and the chapter 318 version is repealed.

22 10. Section 15-1372, Arizona Revised Statutes, was amended by Laws
23 2010, chapter 306, section 15 and chapter 318, section 21. The chapter 318
24 version could not be blended because of the delayed effective date. In order
25 to combine these versions, this act amends the chapter 306 version of section
26 15-1372, Arizona Revised Statutes, to incorporate the amendments made by Laws
27 2010, chapter 318 and the chapter 318 version is repealed.

28 11. Section 15-1682.03, Arizona Revised Statutes, was amended by Laws
29 2011, second special session, chapter 1, section 9. However, this section
30 was erroneously identified in the title of the act potentially in violation
31 of article IV, part 2, section 13, Constitution of Arizona. In order to
32 correct a potentially defective enactment, this act amends the previous valid
33 version of section 15-1682.03, Arizona Revised Statutes, to incorporate the
34 amendments made by Laws 2011, second special session, chapter 1 and the
35 chapter 1 version is repealed.

36 12. Section 15-1782, Arizona Revised Statutes, was amended by Laws
37 2010, chapter 257, section 1 and chapter 332, section 21. The chapter 332
38 version could not be blended because of the delayed effective date. In order
39 to combine these versions, this act amends the chapter 257 version of section
40 15-1782, Arizona Revised Statutes, to incorporate the amendments made by
41 chapter 332 and the chapter 332 version is repealed.

42 13. Section 15-1783, Arizona Revised Statutes, was amended by Laws
43 2010, chapter 257, section 2 and chapter 332, section 22. The chapter 332
44 version could not be blended because of the delayed effective date. In order
45 to combine these versions, this act amends the chapter 257 version of section

1 15-1783, Arizona Revised Statutes, to incorporate the amendments made by Laws
2 2010, chapter 332 and the chapter 332 version is repealed.

3 14. Section 41-1512.02, Arizona Revised Statutes, was renumbered as
4 section 26-263, Arizona Revised Statutes, and amended by Laws 2010, chapter
5 208, section 4 and amended by chapter 244, section 30. The chapter 244
6 version could not be blended because of the delayed effective date. In order
7 to combine these versions, this act amends the chapter 208 version of section
8 26-263, Arizona Revised Statutes, to incorporate the amendments made by Laws
9 2010, chapter 244 and the chapter 244 version is repealed.

10 15. Section 32-2183, Arizona Revised Statutes, was amended by Laws
11 2010, chapter 144, section 2 and chapter 244, section 19. The chapter 244
12 version could not be blended because of the delayed effective date. In order
13 to combine these versions, this act amends the chapter 144 version of section
14 32-2183, Arizona Revised Statutes, to incorporate the amendments made by Laws
15 2010, chapter 244 and the chapter 244 version is repealed.

16 16. Section 34-201, Arizona Revised Statutes, was amended by Laws 2010,
17 chapter 117, section 12 and chapter 244, sections 23 and 24. The chapter
18 244, section 24 version could not be blended because of the intervening
19 amendment by chapter 244, section 23. The Laws 2010, chapter 244, section 24
20 version contains amendments identical to those made by the Laws 2010, chapter
21 117 version. In order to eliminate the unnecessary duplicative version of
22 section 34-201, Arizona Revised Statutes, this act repeals the chapter 117
23 version.

24 17. Section 37-132, Arizona Revised Statutes, was amended by Laws 2010,
25 chapter 243, section 6 and chapter 244, section 27. The chapter 244 version
26 could not be blended because of the delayed effective date. In order to
27 combine these versions, this act amends the chapter 243 version of section
28 37-132, Arizona Revised Statutes, to incorporate the amendments made by Laws
29 2010, chapter 244 and the chapter 244 version is repealed.

30 Sec. 2. Section 11-251, Arizona Revised Statutes, as amended by Laws
31 2010, chapter 238, section 1, is amended to read:

32 11-251. Powers of board

33 The board of supervisors, under such limitations and restrictions as
34 are prescribed by law, may:

35 1. Supervise the official conduct of all county officers and officers
36 of all districts and other subdivisions of the county charged with assessing,
37 collecting, safekeeping, managing or disbursing the public revenues, see that
38 such officers faithfully perform their duties and direct prosecutions for
39 delinquencies, and, when necessary, require the officers to renew their
40 official bonds, make reports and present their books and accounts for
41 inspection.

42 2. Divide the counties into such districts or precincts as required by
43 law, change them and create others as convenience requires.

1 3. Establish, abolish and change election precincts, appoint
2 inspectors and judges of elections, canvass election returns, declare the
3 result and issue certificates thereof.

4 4. Lay out, maintain, control and manage public roads, ferries and
5 bridges within the county and levy such tax for that purpose as may be
6 authorized by law.

7 5. Provide for the care and maintenance of the sick of the county,
8 erect and maintain hospitals for that purpose and, in its discretion, provide
9 a farm in connection with the county hospital and adopt ordinances for
10 working the farm.

11 6. Provide suitable rooms for county purposes.

12 7. Purchase, receive by donation or lease real or personal property
13 necessary for the use of the county prison and take care of, manage and
14 control the property, but no purchase of real property shall be made unless
15 the value has been previously estimated by three disinterested citizens of
16 the county, appointed by the board for that purpose, and no more than the
17 appraised value shall be paid for the property.

18 8. Cause to be erected and furnished a courthouse, jail and hospital
19 and such other buildings as necessary, and construct and establish a branch
20 jail, when necessary, at a point distant from the county seat.

21 9. Sell at public auction, after thirty days' previous notice given by
22 publication in a newspaper of the county, stating the time and place of the
23 auction, and convey to the highest bidder, for cash or contract of purchase
24 extending not more than ten years from the date of sale and upon such terms
25 and conditions and for such consideration as the board shall prescribe, any
26 property belonging to the county that the board deems advantageous for the
27 county to sell, or that the board deems unnecessary for use by the county,
28 and shall pay the proceeds thereof into the county treasury for use of the
29 county, except that personal property need not be sold but may be used as a
30 trade-in on the purchase of personal property when the board deems this
31 disposition of the personal property to be in the best interests of the
32 county. When the property for sale is real property, the board shall have
33 such property appraised by a qualified independent fee appraiser who has an
34 office located in this state. The appraiser shall establish a minimum price,
35 which shall not be less than ninety per cent of the appraised value. The
36 notice regarding the sale of real property shall be published in the county
37 where the property is situated and may be published in one or more other
38 counties, and shall contain, among other things, the appraised value, the
39 minimum acceptable sale price, and the common and legal description of the
40 real property. Notwithstanding the requirement for a sale at public auction
41 prescribed in this paragraph, a county and with unanimous consent of the
42 board, without a public auction, may sell or lease any county property to any
43 other duly constituted governmental entity, including the state, cities,
44 towns and other counties. A county and with unanimous consent of the board,
45 ~~AND~~ AND without public auction, may grant an easement on county property for

1 public purposes to a utility as defined in section 40-491. A county and with
2 unanimous consent of the board, without public auction, may sell or lease any
3 county property for a specific use to any solely charitable, social or
4 benevolent nonprofit organization incorporated or operating in this state. A
5 county may dispose of surplus equipment and materials that have little or no
6 value or that are unauctionable in any manner authorized by the board.

7 10. Examine and exhibit the accounts and performance of all officers
8 having the care, management, collection or disbursement of monies belonging
9 to the county or appropriated by law or otherwise for the use and benefit of
10 the county. The working papers and other audit files in an examination and
11 audit of the accounts and performance of a county officer are not public
12 records and are exempt from title 39, chapter 1. The information contained
13 in the working papers and audit files prepared pursuant to a specific
14 examination or audit is not subject to disclosure, except to the county
15 attorney and the attorney general in connection with an investigation or
16 action taken in the course of their official duties.

17 11. Examine, settle and allow all accounts legally chargeable against
18 the county, order warrants to be drawn on the county treasurer for that
19 purpose and provide for issuing the warrants.

20 12. Levy such tax annually on the taxable property of the county as may
21 be necessary to defray the general current expenses thereof, including
22 salaries otherwise unprovided for, and levy such other taxes as are required
23 to be levied by law.

24 13. Equalize assessments.

25 14. Direct and control the prosecution and defense of all actions to
26 which the county is a party, and compromise them.

27 15. Insure the county buildings in the name of and for the benefit of
28 the county.

29 16. Fill by appointment all vacancies occurring in county or precinct
30 offices.

31 17. Adopt provisions necessary to preserve the health of the county,
32 and provide for the expenses thereof.

33 18. With the approval of the department of health services, contract
34 with any qualified person to provide all or part of the health services,
35 funded through the department of health services with federal or state
36 monies, that the board in its discretion extends to residents of the county.

37 19. Contract for county printing and advertising, and provide books and
38 stationery for county officers.

39 20. Provide for rebinding county records, or, if necessary, the
40 transcribing of county records.

41 21. Make and enforce necessary rules and regulations for the government
42 of its body, the preservation of order and the transaction of business.

43 22. Adopt a seal for the board, a description and impression of which
44 shall be filed by the clerk in the office of the county recorder and the
45 secretary of state.

1 23. Establish, maintain and conduct or aid in establishing, maintaining
2 and conducting public aviation fields, purchase, receive by donation or lease
3 any property necessary for that purpose, lease, at a nominal rental if
4 desired, sell such aviation fields or property to the United States or any
5 department, or sell or lease such aviation fields to a city, exchange lands
6 acquired pursuant to this section for other lands, or act in conjunction with
7 the United States in maintaining, managing and conducting all such property.
8 If any such property or part of that property is not needed for these
9 purposes, it shall be sold by the board and the proceeds shall be paid into
10 the general fund of the county.

11 24. Acquire and hold property for the use of county fairs, and conduct,
12 take care of and manage them.

13 25. Authorize the sheriff to offer a reward, not exceeding ten thousand
14 dollars in one case, for information leading to the arrest and conviction of
15 persons charged with crime.

16 26. Contract for the transportation of insane persons to the state
17 hospital or direct the sheriff to transport such persons. The county is
18 responsible for such expense to the extent the expense is not covered by any
19 third party payor.

20 27. Provide for the reasonable expenses of burial for deceased
21 indigents as provided in section 36-831 and maintain a permanent register of
22 deceased indigents, including name, age and date of death, and when burial
23 occurs, the board shall mark the grave with a permanent marker giving the
24 name, age, and date of birth, if known.

25 28. Sell or grant to the United States the title or interest of the
26 county in any toll road or toll train in or partly within a national park,
27 upon such terms and consideration as may be agreed upon by the board and the
28 secretary of the interior of the United States.

29 29. Enter into agreements for acquiring rights-of-way, construction,
30 reconstruction or maintenance of highways in their respective counties,
31 including highways that pass through Indian reservations, with the government
32 of the United States, acting through its duly authorized officers or agents
33 pursuant to any act of Congress, except that the governing body of any Indian
34 tribe whose lands are affected must consent to the use of its land, and any
35 such agreements entered into before June 26, 1952 are validated and
36 confirmed.

37 30. Do and perform all other acts and things necessary to the full
38 discharge of its duties as the legislative authority of the county
39 government, including receiving and accepting payment of monies by credit
40 card or debit card, or both. Any fees or costs incurred by the use of the
41 credit or debit card shall be paid by the person tendering payment unless the
42 charging entity determines that the financial benefits of accepting credit
43 cards or debit cards exceeds the additional processing fees.

44 31. Make and enforce all local, police, sanitary and other regulations
45 not in conflict with general law.

1 32. Budget for funds for foster home care during the school week for
2 mentally retarded and otherwise handicapped children who reside within the
3 county and attend a school for the handicapped in a city or town within such
4 county.

5 33. Do and perform all acts necessary to enable the county to
6 participate in the economic opportunity act of 1964 (P.L. 88-452; 78 Stat.
7 508), as amended.

8 34. Provide a plan or plans for its employees that provide tax deferred
9 annuity and deferred compensation plans as authorized pursuant to title 26,
10 United States Code. Such plans shall allow voluntary participation by all
11 employees of the county. Participating employees shall authorize the board
12 to make reductions in their remuneration as provided in an executed deferred
13 compensation agreement.

14 35. Adopt and enforce standards for shielding and filtration of
15 commercial or public outdoor portable or permanent light fixtures in
16 proximity to astronomical or meteorological laboratories.

17 36. Subject to the prohibitions, restrictions and limitations as set
18 forth in section ~~11-830~~ 11-812, adopt and enforce standards for excavation,
19 landfill and grading to prevent unnecessary loss from erosion, flooding and
20 landslides.

21 37. Make and enforce necessary ordinances for the operation and
22 licensing of any establishment not in the limits of an incorporated city or
23 town in which is carried on the business of providing baths, showers or other
24 forms of hydrotherapy or any service of manual massage of the human body.

25 38. Provide pecuniary compensation as salary or wages for overtime work
26 performed by county employees, including those employees covered by title 23,
27 chapter 2, article 9. In so providing, the board may establish salary and
28 wage plans incorporating classifications and conditions prescribed by the
29 federal fair labor standards act.

30 39. Establish, maintain and operate facilities that provide for
31 physical evaluation, diagnosis and treatment of patients and that do not keep
32 patients overnight as bed patients or treat patients under general
33 anesthesia.

34 40. Enact ordinances under its police authority prescribing reasonable
35 curfews in the entire unincorporated area or any area less than the entire
36 unincorporated area of the county for minors and fines not to exceed the fine
37 for a petty offense for violation of such ordinances. Nothing in this
38 paragraph shall be construed to require a request from an association or a
39 majority of the residents of an area before the board may enact an ordinance
40 applicable to the entire or any portion of the unincorporated area. An
41 ordinance enacted pursuant to this paragraph shall provide that a minor is
42 not violating a curfew if the minor is accompanied by a parent, a guardian or
43 an adult having supervisory custody, is on an emergency errand or has been
44 specifically directed to the location on reasonable, legitimate business or
45 some other activity by the parent, guardian or adult having supervisory

1 custody. If no curfew ordinance is applicable to a particular unincorporated
2 area of the county, the board may adopt a curfew ordinance on the request or
3 petition of either:

4 (a) A homeowners' association that represents a majority of the
5 homeowners in the area covered by the association and to which the curfew
6 would apply.

7 (b) A majority of the residents of the area to which the curfew would
8 apply.

9 41. Lease or sublease personal property owned by the county to other
10 political subdivisions of this state to be used for a public purpose.

11 42. In addition to the agreements authorized by section 11-651, enter
12 into long-term agreements for the purchase of personal property, provided
13 that the board may cancel any such agreement at the end of a fiscal year, at
14 which time the seller may repossess the property and the agreement shall be
15 deemed terminated.

16 43. Make and enforce necessary ordinances not in conflict with the laws
17 of this state to regulate off-road recreational motor vehicles that are
18 operated within the county on public lands without lawful authority or on
19 private lands without the consent of the lawful owner or that generate air
20 pollution. For the purposes of this paragraph, "off-road recreational motor
21 vehicle" means three and four wheel vehicles manufactured for recreational
22 nonhighway all terrain travel.

23 44. Acquire land for roads, drainage ways and other public purposes by
24 exchange without public auction, except that notice shall be published thirty
25 days before the exchange, listing the property ownership and descriptions.

26 45. Purchase real property for public purposes, provided that final
27 payment shall be made not later than five years after the date of purchase.

28 46. Lease-purchase real property and improvements for real property for
29 public purposes, provided that final payment shall be made not later than
30 twenty-five years after the date of purchase. Any increase in the final
31 payment date from fifteen years up to the maximum of twenty-five years shall
32 be made only on unanimous approval by the board of supervisors.

33 47. Make and enforce ordinances for the protection and disposition of
34 domestic animals subject to inhumane, unhealthful or dangerous conditions or
35 circumstances provided that nothing in this paragraph limits or restricts the
36 authority granted to incorporated cities and towns or counties pursuant to
37 section 13-2910. An ordinance enacted pursuant to this paragraph shall not
38 restrict or limit the authority of the game and fish commission to regulate
39 the taking of wildlife. For the purposes of this paragraph, "domestic
40 animal" means an animal kept as a pet and not primarily for economic
41 purposes.

42 48. If a part of a parcel of land is to be taken for roads, drainage,
43 flood control or other public purposes and the board and the affected
44 property owner determine that the remainder will be left in such a condition
45 as to give rise to a claim or litigation concerning severance or other

1 damage, acquire the whole parcel by purchase, donation, dedication, exchange,
2 condemnation or other lawful means, and the remainder may be sold or
3 exchanged for other properties needed for any public purpose.

4 49. Make and enforce necessary rules providing for the reimbursement of
5 travel and subsistence expenses of members of county boards, commissions and
6 advisory committees when acting in the performance of their duties, if the
7 board, commission or advisory committee is authorized or required by federal
8 or state law or county ordinance, and the members serve without compensation.

9 50. Provide a plan or plans for county employee benefits that allow for
10 participation in a cafeteria plan that meets the requirements of the United
11 States internal revenue code of 1986.

12 51. Provide for fringe benefits for county employees, including sick
13 leave, personal leave, vacation and holiday pay and jury duty pay.

14 52. Make and enforce ordinances that are more restrictive than state
15 requirements to reduce or encourage the reduction of carbon monoxide and
16 ozone levels, provided an ordinance does not establish a standard for
17 vehicular emissions, including ordinances to reduce or encourage the
18 reduction of the commuter use of motor vehicles by employees of the county
19 and employees whose place of employment is in unincorporated areas of the
20 county.

21 53. Make and enforce ordinances to provide for the reimbursement of up
22 to one hundred per cent of the cost to county employees of public bus or van
23 pool transportation to and from their place of employment.

24 54. Lease for public purposes any real property, improvements for real
25 property and personal property under the same terms and conditions, to the
26 extent applicable, as are specified in sections 11-651 and 11-653 for
27 lease-purchases.

28 55. Enact ordinances prescribing regulation of alarm systems and
29 providing for civil penalties to reduce the incidence of false alarms at
30 business and residential structures relating to burglary, robbery, fire and
31 other emergencies not within the limits of an incorporated city or town.

32 56. In addition to paragraph 9 of this section, and notwithstanding
33 section 23-504, sell or dispose of, at no less than fair market value, county
34 personal property that the board deems no longer useful or necessary through
35 a retail outlet or to another government entity if the personal property has
36 a fair market value of no more than one thousand dollars, or by retail sale
37 or private bid, if the personal property has a fair market value of no more
38 than fifteen thousand dollars. Notice of sales in excess of one thousand
39 dollars shall include a description and sale price of each item and shall be
40 published in a newspaper of general circulation in the county, and for thirty
41 days after notice other bids may be submitted that exceed the sale price by
42 at least five per cent. The county shall select the highest bid received at
43 the end of the thirty day period.

1 57. Sell services, souvenirs, sundry items or informational
2 publications that are uniquely prepared for use by the public and by
3 employees and license and sell information systems and intellectual property
4 developed from county resources that the county is not obligated to provide
5 as a public record.

6 58. On unanimous consent of the board of supervisors, license, lease or
7 sell any county property pursuant to paragraphs 56 and 57 of this section at
8 less than fair market value to any other governmental entity, including this
9 state, cities, towns, public improvement districts or other counties within
10 or outside of this state, or for a specific purpose to any charitable, social
11 or benevolent nonprofit organization incorporated or operating in this state.

12 59. On unanimous consent of the board of supervisors, provide technical
13 assistance and related services to a fire district pursuant to an
14 intergovernmental agreement.

15 60. Adopt contracting procedures for the operation of a county health
16 system pursuant to section 11-291. Before the adoption of contracting
17 procedures the board shall hold a public hearing. The board shall publish
18 one notification in a newspaper of general circulation in the county seat at
19 least fifteen days before the hearing.

20 61. Enter into an intergovernmental agreement pursuant to chapter 7,
21 article 3 of this title for a city or town to provide emergency fire or
22 emergency medical services pursuant to section 9-500.23 to a county island as
23 defined in section 11-251.12. The board may charge the owners of record in
24 the county island a fee to cover the cost of an intergovernmental agreement
25 that provides fire and emergency medical services.

26 62. In counties that employ or have designated an animal control county
27 enforcement agent pursuant to section 11-1005, enter into agreements with
28 foundations or charitable organizations to solicit donations, property or
29 services, excluding enforcement or inspection services, for use by the county
30 enforcement agent solely to perform nonmandated services and to fund capital
31 improvements for county animal control, subject to annual financial and
32 performance audits by an independent party as designated by the county board
33 of supervisors. For the purposes of this paragraph, nonmandated services are
34 limited to low cost spay and neuter services, public education and outreach
35 efforts, pet adoption efforts, care for pets that are victims of cruelty or
36 neglect and support for volunteer programs.

37 63. Adopt and provide for the enforcement of ordinances prohibiting
38 open fires and campfires on designated lands in the unincorporated areas of
39 the county when a determination of emergency is issued by the county
40 emergency management officer and the board deems it necessary to protect
41 public health and safety on those lands.

42 64. Fix the amount of license fees to be paid by any person, firm,
43 corporation or association for carrying on any game or amusement business in
44 unincorporated areas of the county and prescribe the method of collection or
45 payment of those fees, for a stated period in advance, and fix penalties for

1 failure to comply by fine. Nothing in this article shall be construed as
2 authorizing any county to require an occupational license or fee for any
3 activity if state law precludes requiring such a license or fee.

4 65. Adopt and enforce ordinances for the prevention, abatement and
5 removal of graffiti, providing that any restrictions on the retail display of
6 potential graffiti tools be limited to any of the following, as determined by
7 the retail business:

8 (a) In a place that is in the line of sight of a cashier or in the
9 line of sight from a work station normally continuously occupied during
10 business hours.

11 (b) In a manner that makes the product accessible to a patron of the
12 business establishment only with the assistance of an employee of the
13 establishment.

14 (c) In an area electronically protected, or viewed by surveillance
15 equipment that is monitored, during business hours.

16 66. Adopt ordinances and fees related to the implementation of a local
17 stormwater quality program pursuant to title 49, chapter 2, article 11.

18 Sec. 3. Repeal

19 Section 11-251, Arizona Revised Statutes, as amended by Laws 2010,
20 chapter 244, section 2, is repealed.

21 Sec. 4. Section 15-185, Arizona Revised Statutes, as amended by Laws
22 2010, seventh special session, chapter 8, section 1 and Laws 2010, second
23 regular session, chapter 17, section 2, chapter 306, section 1, chapter 332,
24 section 4 and chapter 333, section 2, is amended to read:

25 15-185. Charter schools; financing; civil penalty;
26 transportation; definitions

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

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

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

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

2 (a) Increase its student count as provided in subsection B, paragraph
3 2 of this section during the first year of the charter school's operation to
4 include those charter school pupils who were not previously enrolled in the
5 school district. A charter school sponsored by a school district governing
6 board is eligible for the assistance prescribed in subsection B, paragraph 4
7 of this section. The soft capital allocation as provided in section 15-962
8 for the school district sponsoring the charter school shall be increased by
9 the amount of the additional assistance. The school district shall include
10 the full amount of the additional assistance in the funding provided to the
11 charter school.

12 (b) Compute separate weighted student counts pursuant to section
13 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
14 school pupils in order to maintain eligibility for small school district
15 support level weights authorized in section 15-943, paragraph 1 for its
16 noncharter school pupils only. The portion of a district's student count
17 that is attributable to charter school pupils is not eligible for small
18 school district support level weights.

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

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

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

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

44 B. Financial provisions for a charter school that is sponsored by the
45 state board of education, the state board for charter schools, a university,

1 a community college district or a group of community college districts are as
2 follows:

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

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

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

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

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

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

44 7. Not later than noon on the day preceding each apportionment date
45 established by paragraph 5 of this subsection, the superintendent of public

1 instruction shall furnish to the state treasurer an abstract of the
2 apportionment and shall certify the apportionment to the department of
3 administration, which shall draw its warrant in favor of the charter schools
4 for the amount apportioned.

5 C. If a pupil is enrolled in both a charter school and a public school
6 that is not a charter school, the sum of the daily membership, which includes
7 enrollment as prescribed in section 15-901, subsection A, paragraph ~~2~~ 1,
8 subdivisions (a) and (b) and daily attendance as prescribed in section
9 15-901, subsection A, paragraph ~~6~~ 5, for that pupil in the school district
10 and the charter school shall not exceed 1.0, except that if the pupil is
11 enrolled in both a charter school and a joint technical education district
12 and resides within the boundaries of a school district participating in the
13 joint technical education district, the sum of the average daily membership
14 for that pupil in the charter school and the joint technical education
15 district shall not exceed 1.25. If a pupil is enrolled in both a charter
16 school and a public school that is not a charter school, the department of
17 education shall direct the average daily membership to the school with the
18 most recent enrollment date. Upon validation of actual enrollment in both a
19 charter school and a public school that is not a charter school and if the
20 sum of the daily membership or daily attendance for that pupil is greater
21 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
22 the public school and the charter school based on the percentage of total
23 time that the pupil is enrolled or in attendance in the public school and the
24 charter school, except that if the pupil is enrolled in both a charter school
25 and a joint technical education district and resides within the boundaries of
26 a school district participating in the joint technical education district,
27 the sum of the average daily membership for that pupil in the charter school
28 and the joint technical education district shall be reduced to 1.25 and shall
29 be apportioned between the charter school and the joint technical education
30 district based on the percentage of total time that the pupil is enrolled or
31 in attendance in the charter school and the joint technical education
32 district. The uniform system of financial records shall include guidelines
33 for the apportionment of the pupil enrollment and attendance as provided in
34 this section.

35 D. Charter schools are allowed to accept grants and gifts to
36 supplement their state funding, but it is not the intent of the charter
37 school law to require taxpayers to pay twice to educate the same pupils. The
38 base support level for a charter school or for a school district sponsoring a
39 charter school shall be reduced by an amount equal to the total amount of
40 monies received by a charter school from a federal or state agency if the
41 federal or state monies are intended for the basic maintenance and operations
42 of the school. The superintendent of public instruction shall estimate the
43 amount of the reduction for the budget year and shall revise the reduction to
44 reflect the actual amount before May 15 of the current year. If the

1 reduction results in a negative amount, the negative amount shall be used in
2 computing all budget limits and equalization assistance, except that:

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

4 2. For a charter school sponsored by the state board of education, the
5 state board for charter schools, a university, a community college district
6 or a group of community college districts, the total of the base support
7 level and the additional assistance shall not be less than zero.

8 3. For a charter school sponsored by a school district, the base
9 support level for the school district shall not be reduced by more than the
10 amount that the charter school increased the district's base support level,
11 capital outlay revenue limit and soft capital allocation.

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

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

26 G. At the request of a charter school, the county school
27 superintendent of the county where the charter school is located may provide
28 the same educational services to the charter school as prescribed in section
29 15-308, subsection A. The county school superintendent may charge a fee to
30 recover costs for providing educational services to charter schools.

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

1 school is in compliance, the department of education shall restore the full
2 amount of state aid payments to the charter school.

3 I. In addition to the withholding of state aid payments pursuant to
4 subsection H of this section, the sponsor of a charter school may impose a
5 civil penalty of one thousand dollars per occurrence if a charter school
6 fails to comply with the fingerprinting requirements prescribed in section
7 15-183, subsection C or section 15-512. The sponsor of a charter school
8 shall not impose a civil penalty if it is the first time that a charter
9 school is out of compliance with the fingerprinting requirements and if the
10 charter school provides proof within forty-eight hours of written
11 notification that an application for the appropriate fingerprint check has
12 been received by the department of public safety. The sponsor of the charter
13 school shall obtain proof that the charter school has been notified, and the
14 notification shall identify the date of the deadline and shall be signed by
15 both parties. The sponsor of a charter school shall automatically impose a
16 civil penalty of one thousand dollars per occurrence if the sponsor
17 determines that the charter school subsequently violates the fingerprinting
18 requirements. Civil penalties pursuant to this subsection shall be assessed
19 by requesting the department of education to reduce the amount of state aid
20 that the charter school would otherwise receive by an amount equal to the
21 civil penalty. The amount of state aid withheld shall revert to the state
22 general fund at the end of the fiscal year.

23 J. A charter school may receive and spend monies distributed by the
24 department of education pursuant to section 42-5029, subsection E and section
25 37-521, subsection B.

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

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

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

1 If the charter school maintains a website, the charter school governing body
2 shall post on its website a copy of its proposed budget or the summary of the
3 proposed budget and a notice of the public hearing.

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

8 O. For the purposes of this section:

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

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

21 Sec. 5. Repeal

22 Section 15-185, Arizona Revised Statutes, as amended by Laws 2010,
23 chapter 318, section 1, is repealed.

24 Sec. 6. Section 15-241, Arizona Revised Statutes, as amended by Laws
25 2010, chapter 333, section 3, is amended to read:

26 15-241. School accountability; schools failing to meet academic
27 standards; failing schools tutoring fund;
28 classification label for school districts and charter
29 school operators

30 A. The department of education shall compile an annual achievement
31 profile for each public school.

32 B. Each school shall submit to the department any data that is
33 required and requested and that is necessary to compile the achievement
34 profile. A school that fails to submit the information that is necessary is
35 not eligible to receive monies from the classroom site fund established by
36 section 15-977.

37 C. The department shall establish a baseline achievement profile for
38 each school. The baseline achievement profile shall be used to determine a
39 standard measurement of acceptable academic progress for each school and a
40 school classification pursuant to subsection H of this section. Any
41 disclosure of educational records compiled by the department of education
42 pursuant to this section shall comply with the family educational and privacy
43 rights act of 1974 (20 United States Code section 1232g).

44 D. The achievement profile for schools that offer instruction in
45 kindergarten programs and grades one through eight, or any combination of

1 those programs or grades, shall include the following school academic
2 performance indicators:

3 1. The Arizona measure of academic progress. The department shall
4 compute the extent of academic progress made by the pupils in each school
5 during the course of each year.

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

16 3. The results of English language learners tests administered
17 pursuant to section 15-756, subsection B, section 15-756.05 and section
18 15-756.06.

19 E. The achievement profile for schools that offer instruction in
20 grades nine through twelve, or any combination of those grades, shall include
21 the following school academic performance indicators:

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

33 2. The annual dropout rate.

34 3. The annual graduation rate.

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

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

42 G. Subject to final adoption by the state board of education, the
43 department shall determine the criteria for each school classification using
44 a research based methodology. The methodology shall include the performance
45 of pupils at all achievement levels, account for pupil mobility, account for

1 the distribution of pupil achievement at each school and include longitudinal
2 indicators of academic performance. For the purposes of this subsection,
3 "research based methodology" means the systematic and objective application
4 of statistical and quantitative research principles to determine a standard
5 measurement of acceptable academic progress for each school.

6 H. Except as provided in subsection EE of this section, the
7 achievement profile shall be used to determine a school classification that
8 designates each school as one of the following:

- 9 1. An excelling school.
- 10 2. A highly performing school.
- 11 3. A performing school.
- 12 4. An underperforming school.
- 13 5. A school failing to meet academic standards.

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

17 J. Subject to final adoption by the state board of education, the
18 department of education shall develop a parallel achievement profile for
19 accommodation schools, alternative schools as defined by the state board of
20 education and extremely small schools as defined by the state board of
21 education for the purposes of this section.

22 K. If a school is designated as an underperforming school, within
23 ninety days after receiving notice of the designation, the governing board
24 shall develop an improvement plan for the school, submit a copy of the plan
25 to the superintendent of public instruction and supervise the implementation
26 of the plan. The plan shall include necessary components as identified by
27 the state board of education. Within thirty days after submitting the
28 improvement plan to the superintendent of public instruction, the governing
29 board shall hold a special public meeting in each school that has been
30 designated as an underperforming school and shall present the respective
31 improvement plans that have been developed for each school. The school
32 district governing board, within thirty days of receiving notice of the
33 designation, shall provide written notification of the classification to each
34 residence within the attendance area of the school. The notice shall explain
35 the improvement plan process and provide information regarding the public
36 meeting required by this subsection.

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

1 M. If a charter school is designated as an underperforming school,
2 within thirty days the school shall notify the parents of the students
3 attending the school of the classification. The notice shall explain the
4 improvement plan process and provide information regarding the public meeting
5 required by this subsection. Within ninety days of receiving the
6 classification, the charter holder shall present an improvement plan to the
7 charter sponsor at a public meeting and submit a copy of the plan to the
8 superintendent of public instruction. The improvement plan shall include
9 necessary components as identified by the state board of education. For
10 every day that an improvement plan is not received by the superintendent of
11 public instruction, the school is not eligible to receive monies from the
12 classroom site fund established by section 15-977 for every day that a plan
13 has not been received by the superintendent of public instruction within the
14 time specified in subsection K of this section plus an additional ninety
15 days. The charter holder shall appear before the sponsoring board and
16 explain why the improvement plan has not been submitted.

17 N. The department of education shall establish an appeals process, to
18 be approved by the state board of education, for a school to appeal data used
19 to determine the achievement profile of the school. The criteria established
20 shall be based on mitigating factors and may include a visit to the school
21 site by the department of education.

22 O. If a school remains classified as an underperforming school for a
23 third consecutive year, the department of education shall visit the school
24 site to confirm the classification data and to review the implementation of
25 the school's improvement plan. The school shall be classified as failing to
26 meet academic standards unless an alternate classification is made after an
27 appeal pursuant to subsection N of this section.

28 P. The school district governing board, within thirty days of
29 receiving notice of the school failing to meet academic standards
30 classification, shall provide written notification of the classification to
31 each residence in the attendance area of the school. The notice shall
32 explain the improvement plan process and provide information regarding the
33 public meeting required by subsection S of this section.

34 Q. The superintendent of public instruction, based on need, shall
35 assign a solutions team to an underperforming school, a school failing to
36 meet academic standards or any other school pursuant to a mutual agreement
37 between the department of education and the school comprised of master
38 teachers, fiscal analysts and curriculum assessment experts who are certified
39 by the state board of education as Arizona academic standards technicians.
40 The department of education may hire or contract with administrators,
41 principals and teachers who have demonstrated experience with the
42 characteristics and situations in an underperforming school or a school
43 failing to meet academic standards and may use these personnel as part of the
44 solutions team. The department of education shall work with staff at the
45 school to assist in curricula alignment and shall instruct teachers on how to

1 increase pupil academic progress, considering the school's achievement
2 profile. The solutions team shall consider the existing improvement plan to
3 assess the need for changes to curriculum, professional development and
4 resource allocation and shall present a statement of its findings to the
5 school administrator and district superintendent. Within forty-five days
6 after the presentation of the solutions team's statement of findings, the
7 school district governing board, in cooperation with each school within the
8 school district that is designated an underperforming school and its assigned
9 solutions team representative, shall develop and submit to the department of
10 education an action plan that details the manner in which the school district
11 will assist the school as the school incorporates the findings of the
12 solutions team into the improvement plan. The department of education shall
13 review the action plan and shall either accept the action plan or return the
14 action plan to the school district for modification. If the school district
15 does not submit an approved action plan within forty-five days, the state
16 board of education may direct the superintendent of public instruction to
17 withhold up to ten per cent of state monies that the school district would
18 otherwise be entitled to receive each month until the plan is submitted to
19 the department of education, at which time those monies shall be returned to
20 the school district.

21 R. The parent or the guardian of the pupil may apply to the department
22 of education, in a manner determined by the department of education, for a
23 certificate of supplemental instruction from the failing schools tutoring
24 fund established by this section. Pupils attending a school designated as an
25 underperforming school or a school failing to meet academic standards or a
26 pupil who has failed to pass one or more portions of the Arizona instrument
27 to measure standards test in grades eight through twelve in order to graduate
28 from high school may select an alternative tutoring program in academic
29 standards from a provider that is certified by the state board of education.
30 To qualify, the provider must state in writing a level of academic
31 improvement for the pupil that includes a timeline for improvement that is
32 agreed to by the parent or guardian of the pupil. The state board of
33 education shall annually review academic performance levels for providers
34 certified pursuant to this subsection and may remove a provider at a public
35 hearing from an approved list of providers if that provider fails to meet its
36 stated level of academic improvement. The state board of education shall
37 determine the application guidelines and the maximum value for each
38 certificate of supplemental instruction. The state board of education shall
39 annually complete a market survey in order to determine the maximum value for
40 each certificate of supplemental instruction. Nothing in this subsection
41 shall be construed to require the state to provide additional monies beyond
42 the monies provided pursuant to section 42-5029, subsection E, paragraph 7.

43 S. Within sixty days of receiving notification of designation as a
44 school failing to meet academic standards, the school district governing
45 board shall evaluate needed changes to the existing improvement plan for the

1 school, consider recommendations from the solutions team, submit a copy of
2 the plan to the superintendent of public instruction and supervise the
3 implementation of the plan. Within thirty days after submitting the
4 improvement plan to the superintendent of public instruction, the governing
5 board shall hold a public meeting in each school that has been designated as
6 a school failing to meet academic standards and shall present the respective
7 improvement plans that have been developed for each school.

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

16 U. If a charter school is designated as a school failing to meet
17 academic standards, the department of education shall immediately notify the
18 charter school's sponsor. The charter school's sponsor shall either take
19 action to restore the charter school to acceptable performance or revoke the
20 charter school's charter. Within thirty days the school shall notify the
21 parents of the students attending the school of the classification and of any
22 pending public meetings to review the issue.

23 V. A school that has been designated as a school failing to meet
24 academic standards shall be evaluated by the department of education to
25 determine if the school failed to properly implement its school improvement
26 plan, align the curriculum with academic standards, provide teacher training,
27 prioritize the budget or implement other proven strategies to improve
28 academic performance. After visiting the school site pursuant to subsection
29 0 of this section, the department of education shall submit to the state
30 board of education a recommendation to proceed pursuant to subsections Q, R
31 and S of this section or that the school be subject to a public hearing to
32 determine if the school failed to properly implement its improvement plan and
33 the reasons for the department's recommendation.

34 W. If the department does recommend a public hearing, the state board
35 of education shall meet and may provide by a majority vote at the public
36 hearing for the continued operation of the school as allowed by this
37 subsection. The state board of education shall determine whether
38 governmental, nonprofit and private organizations may submit applications to
39 the state board to fully or partially manage the school. The state board's
40 determination shall include:

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

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

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

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

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

4 X. The state board shall periodically review the status of a school
5 that is operated by an organization other than the school district governing
6 board to determine whether the operation of the school should be returned to
7 the school district governing board. Before the state board makes a
8 determination, the state board or its designee shall meet with the school
9 district governing board or its designee to determine the time frame,
10 operational considerations and the appropriate continuation of existing
11 improvements that are necessary to assure a smooth transition of authority
12 from the other organization back to the school district governing board.

13 Y. If an alternative operation plan is provided pursuant to subsection
14 W of this section, the state board of education shall pay for the operation
15 of the school and shall adjust the school district's ~~student count pursuant~~
16 ~~to section 15-902,~~ soft capital allocation pursuant to section 15-962,
17 capital outlay revenue limit pursuant to section 15-961, base support level
18 pursuant to section 15-943, monies distributed from the classroom site fund
19 established by section 15-977 and transportation support level pursuant to
20 section 15-945 to accurately reflect any reduction in district services that
21 are no longer provided to that school by the district. The state board of
22 education may modify the school district's revenue control limit, the
23 district support level and the general budget limit calculated pursuant to
24 section 15-947 by an amount that corresponds to this reduction in services.
25 The state board of education shall retain the portion of state aid that would
26 otherwise be due the school district for the school and shall distribute that
27 portion of state aid directly to the organization that contracts with the
28 state board of education to operate the school.

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

32 AA. If there are more than two schools in a district and more than
33 one-half, or in any case more than five, of the schools in the district are
34 designated as schools failing to meet academic standards for more than two
35 consecutive years, in the next election of members of the governing board the
36 election ballot shall contain the following statement immediately above the
37 listing of governing board candidates:

38 Within the last five years, (number of schools) schools in the
39 _____ school district have been designated as "schools
40 failing to meet academic standards" by the superintendent of
41 public instruction.

42 BB. At least twice each year the department of education shall publish
43 in a newspaper of general circulation in each county of this state a list of
44 schools that are designated as schools failing to meet academic standards.

1 CC. The failing schools tutoring fund is established consisting of
2 monies collected pursuant to section 42-5029, subsection E as designated for
3 this purpose. The department of education shall administer the fund. The
4 department of education may use monies from the fund to purchase materials
5 designed to assist students to meet the Arizona academic standards and to
6 achieve a passing score on the Arizona instrument to measure standards test
7 in order to graduate from high school.

8 DD. The department of education may develop a classification label for
9 school districts and charter school operators. If the department of
10 education develops a classification label for school districts and charter
11 school operators, the classification label may be developed from the
12 following components:

- 13 1. Measures of academic progress.
- 14 2. Pupil assessment data.
- 15 3. The attendance rates and graduation rates of pupils who are
16 educated in that charter school operator's charter schools or in that school
17 district's schools.
- 18 4. The percentage of the parents of pupils enrolled in that charter
19 school operator's charter schools or in that school district's schools that
20 categorizes the quality of their child's education as excellent on a parental
21 rating of school quality.

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

26 Sec. 7. Repeal

27 Section 15-241, Arizona Revised Statutes, as amended by Laws 2010,
28 chapter 318, section 4, is repealed.

29 Sec. 8. Section 15-241, Arizona Revised Statutes, as amended by
30 section 6 of this act, is amended to read:

31 15-241. School and school district accountability; failing
32 schools tutoring fund; classification label for
33 school districts and charter school operators

34 A. The department of education shall compile an annual achievement
35 profile for each public school AND SCHOOL DISTRICT.

36 B. Each school AND SCHOOL DISTRICT shall submit to the department any
37 data that is required and requested and that is necessary to compile the
38 achievement profile. A school OR SCHOOL DISTRICT that fails to submit the
39 information that is necessary is not eligible to receive monies from the
40 classroom site fund established by section 15-977.

41 C. The department shall establish a baseline achievement profile for
42 each school AND SCHOOL DISTRICT. The baseline achievement profile shall be
43 used to determine a standard measurement of acceptable academic progress for
44 each school AND SCHOOL DISTRICT and a school AND SCHOOL DISTRICT
45 classification pursuant to subsection H of this section. Any disclosure of

1 educational records compiled by the department of education pursuant to this
2 section shall comply with the family educational and privacy rights act of
3 1974 (20 United States Code section 1232g).

4 D. The achievement profile for schools AND SCHOOL DISTRICTS that offer
5 instruction in kindergarten programs and grades one through eight, or any
6 combination of those programs or grades, shall include the following school
7 academic performance indicators:

8 1. The Arizona measure of academic progress. The department shall
9 compute the extent of academic progress made by the pupils in each school AND
10 SCHOOL DISTRICT during the course of each year.

11 2. The Arizona instrument to measure standards test. The department
12 shall compute the percentage of pupils who meet or exceed the standard on the
13 Arizona instrument to measure standards test, as prescribed by the state
14 board of education. The superintendent of public instruction and the
15 department may calculate academic gain on the Arizona instrument to measure
16 standards test according to each of the school classifications prescribed in
17 subsection G of this section on a statewide basis, for each school district
18 in this state and for each school by determining the average scale scores for
19 students in the current academic year as compared to the average scale scores
20 for the previous academic year for the same students.

21 3. The results of English language learners tests administered
22 pursuant to section 15-756, subsection B, section 15-756.05 and section
23 15-756.06.

24 E. The achievement profile for schools AND SCHOOL DISTRICTS that offer
25 instruction in grades nine through twelve, or any combination of those
26 grades, shall include the following school academic performance indicators:

27 1. THE ARIZONA MEASURE OF ACADEMIC PROGRESS. THE DEPARTMENT SHALL
28 COMPUTE THE EXTENT OF ACADEMIC PROGRESS MADE BY THE PUPILS AT EACH SCHOOL.

29 ~~1-~~ 2. The Arizona instrument to measure standards test. The
30 department shall compute the percentage of pupils pursuant to subsection G of
31 this section who meet or exceed the standard on the Arizona instrument to
32 measure standards test, as prescribed by the state board of education. The
33 superintendent of public instruction and the department may calculate
34 academic gain on the Arizona instrument to measure standards test according
35 to each of the school classifications prescribed in subsection G of this
36 section on a statewide basis, for each school district in this state and for
37 each school by determining the average scale scores for students in the
38 current academic year as compared to the average scale scores for the
39 previous academic year for the same students.

40 ~~2-~~ 3. The annual dropout rate.

41 ~~3-~~ 4. The annual graduation rate.

42 ~~4-~~ 5. The results of English language learners tests administered
43 pursuant to section 15-756, subsection B, section 15-756.05 and section
44 15-756.06.

1 F. Schools AND SCHOOL DISTRICTS that offer instruction in all or a
2 combination of the grades specified in subsections D and E of this section
3 shall include a single achievement profile for that school AND SCHOOL
4 DISTRICT that includes the school academic performance indicators specified
5 in subsections D and E of this section.

6 G. Subject to final adoption by the state board of education, the
7 department shall determine the criteria for each school AND SCHOOL DISTRICT
8 classification using a research based methodology. The methodology shall
9 include the performance of pupils at all achievement levels, account for
10 pupil mobility, account for the distribution of pupil achievement at each
11 school AND SCHOOL DISTRICT and include longitudinal indicators of academic
12 performance. FIFTY PER CENT OF THE SCHOOL AND SCHOOL DISTRICT CLASSIFICATION
13 DETERMINATION SHALL CONSIST OF ACADEMIC PERFORMANCE MEASUREMENTS. FIFTY PER
14 CENT OF THE ACADEMIC PERFORMANCE MEASUREMENT SHALL CONSIST OF A MEASUREMENT
15 OF ACADEMIC GAIN FOR ALL PUPILS ENROLLED AT THE SCHOOL OR SCHOOL DISTRICT AND
16 FIFTY PER CENT OF THE ACADEMIC PERFORMANCE MEASUREMENTS SHALL CONSIST OF A
17 MEASUREMENT OF THE TWENTY-FIVE PER CENT OF PUPILS WITH THE LOWEST ACADEMIC
18 PERFORMANCE MEASUREMENT ENROLLED AT THE SCHOOL OR SCHOOL DISTRICT. For the
19 purposes of this subsection, "research based methodology" means the
20 systematic and objective application of statistical and quantitative research
21 principles to determine a standard measurement of acceptable academic
22 progress for each school AND SCHOOL DISTRICT.

23 H. Except as provided in subsection EE of this section, the
24 achievement profile shall be used to determine a school AND SCHOOL DISTRICT
25 classification that ~~designates each school as one of the following~~ USES A
26 LETTER GRADE SYSTEM AS FOLLOWS:

- 27 ~~1. An excelling school.~~
- 28 ~~2. A highly performing school.~~
- 29 ~~3. A performing school.~~
- 30 ~~4. An underperforming school.~~
- 31 ~~5. A school failing to meet academic standards.~~

32 1. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF A SHALL
33 DEMONSTRATE AN EXCELLENT LEVEL OF PERFORMANCE.

34 2. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF B SHALL
35 DEMONSTRATE AN ABOVE AVERAGE LEVEL OF PERFORMANCE.

36 3. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF C SHALL
37 DEMONSTRATE AN AVERAGE LEVEL OF PERFORMANCE.

38 4. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF D SHALL
39 DEMONSTRATE A BELOW AVERAGE LEVEL OF PERFORMANCE.

40 5. A SCHOOL OR SCHOOL DISTRICT ASSIGNED A LETTER GRADE OF F SHALL
41 DEMONSTRATE A FAILING LEVEL OF PERFORMANCE.

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

1 J. Subject to final adoption by the state board of education, the
2 department of education shall develop a parallel achievement profile for
3 accommodation schools, alternative schools as defined by the state board of
4 education and extremely small schools as defined by the state board of
5 education for the purposes of this section.

6 K. If a school is ~~designated as an underperforming school~~ ASSIGNED A
7 LETTER GRADE OF D, within ninety days after receiving notice of the
8 designation, the governing board shall develop an improvement plan for the
9 school, submit a copy of the plan to the superintendent of public instruction
10 AND THE COUNTY EDUCATIONAL SERVICE AGENCY and supervise the implementation of
11 the plan. The plan shall include necessary components as identified by the
12 state board of education. Within thirty days after submitting the
13 improvement plan to the superintendent of public instruction AND THE COUNTY
14 EDUCATIONAL SERVICE AGENCY, the governing board shall hold a special public
15 meeting in each school that has been ~~designated as an underperforming school~~
16 ASSIGNED A LETTER GRADE OF D and shall present the respective improvement
17 plans that have been developed for each school. The school district
18 governing board, within thirty days of receiving notice of the designation,
19 shall provide written notification of the classification to each residence
20 within the attendance area of the school. The notice shall explain the
21 improvement plan process and provide information regarding the public meeting
22 required by this subsection.

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

31 M. If a charter school is ~~designated as an underperforming school~~
32 ASSIGNED A LETTER GRADE OF D, within thirty days the school shall notify the
33 parents of the students attending the school of the classification. The
34 notice shall explain the improvement plan process and provide information
35 regarding the public meeting required by this subsection. Within ninety days
36 of receiving the classification, the charter holder shall present an
37 improvement plan to the charter sponsor at a public meeting and submit a copy
38 of the plan to the superintendent of public instruction. The improvement
39 plan shall include necessary components as identified by the state board of
40 education. For every day that an improvement plan is not received by the
41 superintendent of public instruction AND THE COUNTY EDUCATIONAL SERVICE
42 AGENCY, the school is not eligible to receive monies from the classroom site
43 fund established by section 15-977 for every day that a plan has not been
44 received by the superintendent of public instruction within the time
45 specified in subsection K of this section plus an additional ninety days.

1 The charter holder shall appear before the sponsoring board and explain why
2 the improvement plan has not been submitted.

3 N. The department of education shall establish an appeals process, to
4 be approved by the state board of education, for a school to appeal data used
5 to determine the achievement profile of the school. The criteria established
6 shall be based on mitigating factors and may include a visit to the school
7 site by the department of education.

8 O. If a school ~~remains classified as an underperforming school~~ IS
9 ASSIGNED A LETTER GRADE OF D for a third consecutive year, the department of
10 education shall visit the school site to confirm the classification data and
11 to review the implementation of the school's improvement plan. The school
12 shall be ~~classified as failing to meet academic standards~~ ASSIGNED A LETTER
13 GRADE OF F unless an alternate ~~classification~~ LETTER GRADE is made ASSIGNED
14 after an appeal pursuant to subsection N of this section.

15 P. The school district governing board, within thirty days of
16 receiving notice of the school ~~failing to meet academic standards~~
17 ~~classification~~ BEING ASSIGNED A LETTER GRADE OF F, shall provide written
18 notification of the classification to each residence in the attendance area
19 of the school. The notice shall explain the improvement plan process and
20 provide information regarding the public meeting required by subsection S of
21 this section.

22 Q. The superintendent of public instruction IN COLLABORATION WITH THE
23 COUNTY EDUCATIONAL SERVICE AGENCY, based on need, shall assign a solutions
24 team to ~~an underperforming school~~ A SCHOOL ASSIGNED A LETTER GRADE OF D, a
25 school ~~failing to meet academic standards~~ ASSIGNED A LETTER GRADE OF F or any
26 other school pursuant to a mutual agreement between the department of
27 education and the school comprised of master teachers, fiscal analysts and
28 curriculum assessment experts who are certified by the state board of
29 education as Arizona academic standards technicians. The department of
30 education OR THE COUNTY EDUCATIONAL SERVICE AGENCY may hire or contract with
31 administrators, principals and teachers who have demonstrated experience with
32 the characteristics and situations in ~~an underperforming school or a school~~
33 ~~failing to meet academic standards~~ A SCHOOL ASSIGNED A LETTER GRADE OF D OR F
34 and may use these personnel as part of the solutions team. The department of
35 education shall work with staff at the school to assist in curricula
36 alignment and shall instruct teachers on how to increase pupil academic
37 progress, considering the school's achievement profile. The solutions team
38 shall consider the existing improvement plan to assess the need for changes
39 to curriculum, professional development and resource allocation and shall
40 present a statement of its findings to the school administrator and district
41 superintendent. Within forty-five days after the presentation of the
42 solutions team's statement of findings, the school district governing board,
43 in cooperation with each school within the school district that is ~~designated~~
44 ~~an underperforming school~~ ASSIGNED A LETTER GRADE OF D and its assigned
45 solutions team representative, shall develop and submit to the department of

1 education AND THE COUNTY EDUCATIONAL SERVICE AGENCY an action plan that
2 details the manner in which the school district will assist the school as the
3 school incorporates the findings of the solutions team into the improvement
4 plan. The department of education shall review the action plan and shall
5 either accept the action plan or return the action plan to the school
6 district for modification. If the school district does not submit an
7 approved action plan within forty-five days, the state board of education may
8 direct the superintendent of public instruction to withhold up to ten per
9 cent of state monies that the school district would otherwise be entitled to
10 receive each month until the plan is submitted to the department of education
11 AND THE COUNTY EDUCATIONAL SERVICE AGENCY, at which time those monies shall
12 be returned to the school district.

13 R. The parent or the guardian of the pupil may apply to the department
14 of education, in a manner determined by the department of education, for a
15 certificate of supplemental instruction from the failing schools tutoring
16 fund established by this section. Pupils attending a school ~~designated as an~~
17 ~~underperforming school or a school failing to meet academic standards~~
18 ASSIGNED A LETTER GRADE OF D OR F or a pupil who has failed to pass one or
19 more portions of the Arizona instrument to measure standards test in grades
20 eight through twelve in order to graduate from high school may select an
21 alternative tutoring program in academic standards from a provider that is
22 certified by the state board of education. To qualify, the provider must
23 state in writing a level of academic improvement for the pupil that includes
24 a timeline for improvement that is agreed to by the parent or guardian of the
25 pupil. The state board of education shall annually review academic
26 performance levels for providers certified pursuant to this subsection and
27 may remove a provider at a public hearing from an approved list of providers
28 if that provider fails to meet its stated level of academic improvement. The
29 state board of education shall determine the application guidelines and the
30 maximum value for each certificate of supplemental instruction. The state
31 board of education shall annually complete a market survey in order to
32 determine the maximum value for each certificate of supplemental instruction.
33 Nothing in this subsection shall be construed to require the state to provide
34 additional monies beyond the monies provided pursuant to section 42-5029,
35 subsection E, paragraph 7.

36 S. Within sixty days of receiving notification of ~~designation as~~ a
37 school ~~failing to meet academic standards~~ BEING ASSIGNED A LETTER GRADE OF F,
38 the school district governing board shall evaluate needed changes to the
39 existing improvement plan for the school, consider recommendations from the
40 solutions team, submit a copy of the plan to the superintendent of public
41 instruction AND THE COUNTY EDUCATIONAL SERVICE AGENCY and supervise the
42 implementation of the plan. Within thirty days after submitting the
43 improvement plan to the superintendent of public instruction, the governing
44 board shall hold a public meeting in each school that has been ~~designated as~~
45 ~~a school failing to meet academic standards~~ ASSIGNED A LETTER GRADE OF F and

1 shall present the respective improvement plans that have been developed for
2 each school.

3 T. A school that has not submitted an improvement plan pursuant to
4 subsection S of this section is not eligible to receive monies from the
5 classroom site fund established by section 15-977 for every day that a plan
6 has not been received by the superintendent of public instruction within the
7 time specified in subsection S of this section plus an additional ninety
8 days. The state board of education shall require the superintendent of the
9 school district to testify before the board and explain the reasons that an
10 improvement plan for that school has not been submitted.

11 U. If a charter school is ~~designated as a school failing to meet~~
12 ~~academic standards~~ ASSIGNED A LETTER GRADE OF F, the department of education
13 shall immediately notify the charter school's sponsor. The charter school's
14 sponsor shall either take action to restore the charter school to acceptable
15 performance or revoke the charter school's charter. Within thirty days the
16 school shall notify the parents of the students attending the school of the
17 classification and of any pending public meetings to review the issue.

18 V. A school that has been ~~designated as a school failing to meet~~
19 ~~academic standards~~ ASSIGNED A LETTER GRADE OF F shall be evaluated by the
20 department of education to determine if the school failed to properly
21 implement its school improvement plan, align the curriculum with academic
22 standards, provide teacher training, prioritize the budget or implement other
23 proven strategies to improve academic performance. After visiting the school
24 site pursuant to subsection O of this section, the department of education
25 shall submit to the state board of education a recommendation to proceed
26 pursuant to subsections Q, R and S of this section or that the school be
27 subject to a public hearing to determine if the school failed to properly
28 implement its improvement plan and the reasons for the department's
29 recommendation.

30 W. If the department does recommend a public hearing, the state board
31 of education shall meet and may provide by a majority vote at the public
32 hearing for the continued operation of the school as allowed by this
33 subsection. The state board of education shall determine whether
34 governmental, nonprofit and private organizations may submit applications to
35 the state board to fully or partially manage the school. The state board's
36 determination shall include:

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

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

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

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

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

1 X. The state board shall periodically review the status of a school
2 that is operated by an organization other than the school district governing
3 board to determine whether the operation of the school should be returned to
4 the school district governing board. Before the state board makes a
5 determination, the state board or its designee shall meet with the school
6 district governing board or its designee to determine the time frame,
7 operational considerations and the appropriate continuation of existing
8 improvements that are necessary to assure a smooth transition of authority
9 from the other organization back to the school district governing board.

10 Y. If an alternative operation plan is provided pursuant to subsection
11 W of this section, the state board of education shall pay for the operation
12 of the school and shall adjust the school district's soft capital allocation
13 pursuant to section 15-962, capital outlay revenue limit pursuant to section
14 15-961, base support level pursuant to section 15-943, monies distributed
15 from the classroom site fund established by section 15-977 and transportation
16 support level pursuant to section 15-945 to accurately reflect any reduction
17 in district services that are no longer provided to that school by the
18 district. The state board of education may modify the school district's
19 revenue control limit, the district support level and the general budget
20 limit calculated pursuant to section 15-947 by an amount that corresponds to
21 this reduction in services. The state board of education shall retain the
22 portion of state aid that would otherwise be due the school district for the
23 school and shall distribute that portion of state aid directly to the
24 organization that contracts with the state board of education to operate the
25 school.

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

29 AA. If there are more than two schools in a district and more than
30 one-half, or in any case more than five, of the schools in the district are
31 ~~designated as schools failing to meet academic standards~~ ASSIGNED A LETTER
32 GRADE OF F for more than two consecutive years, in the next election of
33 members of the governing board the election ballot shall contain the
34 following statement immediately above the listing of governing board
35 candidates:

36 Within the last five years, (number of schools) schools in the
37 _____ school district have been designated as "schools
38 failing to meet academic standards" by the superintendent of
39 public instruction.

40 BB. At least twice each year the department of education shall publish
41 in a newspaper of general circulation in each county of this state a list of
42 schools that are ~~designated as schools failing to meet academic standards~~
43 ASSIGNED A LETTER GRADE OF F.

44 CC. The failing schools tutoring fund is established consisting of
45 monies collected pursuant to section 42-5029, subsection E as designated for

1 this purpose. The department of education shall administer the fund. The
2 department of education may use monies from the fund to purchase materials
3 designed to assist students to meet the Arizona academic standards and to
4 achieve a passing score on the Arizona instrument to measure standards test
5 in order to graduate from high school.

6 DD. The department of education may develop a classification label for
7 school districts and charter school operators. If the department of
8 education develops a classification label for school districts and charter
9 school operators, the classification label may be developed from the
10 following components:

- 11 1. Measures of academic progress.
- 12 2. Pupil assessment data.
- 13 3. The attendance rates and graduation rates of pupils who are
14 educated in that charter school operator's charter schools or in that school
15 district's schools.
- 16 4. The percentage of the parents of pupils enrolled in that charter
17 school operator's charter schools or in that school district's schools that
18 categorizes the quality of their child's education as excellent on a parental
19 rating of school quality.

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

24 Sec. 9. Repeal

25 Section 15-241, Arizona Revised Statutes, as amended by Laws 2010,
26 chapter 247, section 1, is repealed.

27 Sec. 10. Repeal

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

30 Sec. 11. Section 15-393, Arizona Revised Statutes, as amended by Laws
31 2010, chapter 285, section 1 and chapter 306, section 3, is amended to read:

32 15-393. Joint technical education district governing board;
33 report; definition

34 A. The management and control of the joint district are vested in the
35 joint technical education district governing board, including the content and
36 quality of the courses offered by the district, the quality of teachers who
37 provide instruction on behalf of the district, the salaries of teachers who
38 provide instruction on behalf of the district and the reimbursement of other
39 entities for the facilities used by the district. Unless the governing
40 boards of the school districts participating in the formation of the joint
41 district vote to implement an alternative election system as provided in
42 subsection B of this section, the joint board shall consist of five members
43 elected from five single member districts formed within the joint district.
44 The single member district election system shall be submitted as part of the

1 plan for the joint district pursuant to section 15-392 and shall be
2 established in the plan as follows:

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

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

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

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

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

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

- 42 1. Chapter 1, articles 1 through 6.
- 43 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 44 3. Articles 2, 3 and 5 of this chapter.
- 45 4. Section 15-361.

- 1 5. Chapter 4, articles 1, 2 and 5.
- 2 6. Chapter 5, articles 1, 2 and 3.
- 3 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
- 4 and 15-730.
- 5 8. Chapter 7, article 5.
- 6 9. Chapter 8, articles 1, 3 and 4.
- 7 10. Sections 15-828 and 15-829.
- 8 11. Chapter 9, article 1, article 6, except for section 15-995, and
- 9 article 7.
- 10 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.
- 11 13. Sections 15-1101 and 15-1104.
- 12 14. Chapter 10, articles 2, 3, 4 and 8.
- 13 D. Notwithstanding subsection C of this section, the following apply
- 14 to a joint technical education district:
- 15 1. A joint district may issue bonds for the purposes specified in
- 16 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
- 17 aggregate, including the existing indebtedness, not exceeding one per cent of
- 18 the taxable property used for secondary tax purposes, as determined pursuant
- 19 to title 42, chapter 15, article 1, within the joint technical education
- 20 district as ascertained by the last property tax assessment previous to
- 21 issuing the bonds.
- 22 2. The number of governing board members for a joint district shall be
- 23 as prescribed in subsection A of this section.
- 24 3. If a career and technical education and vocational education course
- 25 or program provided pursuant to this article is provided in a facility owned
- 26 or operated by a school district in which a pupil is enrolled, including
- 27 satellite courses, the sum of the daily attendance, as provided in section
- 28 15-901, subsection A, paragraph ~~6~~ 5, for that pupil in both the school
- 29 district and joint technical education district shall not exceed 1.25 and the
- 30 sum of the fractional student enrollment, as provided in section 15-901,
- 31 subsection A, paragraph ~~2~~ 1, subdivision (a), shall not exceed 1.25 for the
- 32 courses taken in the school district and the facility, including satellite
- 33 courses. The school district and the joint district shall determine the
- 34 apportionment of the daily attendance and fractional student enrollment for
- 35 that pupil between the school district and the joint district. Pupils in an
- 36 approved joint technical education district satellite program may generate an
- 37 average daily attendance for attendance hours during any hour of the day,
- 38 during any day of the week and at any time beginning July 1 through June 30
- 39 of each fiscal year.
- 40 4. The student count for the first year of operation of a joint
- 41 technical education district as provided in this article shall be determined
- 42 as follows:
- 43 (a) Determine the estimated student count for joint district classes
- 44 that will operate in the first year of operation. This estimate shall be
- 45 based on actual registration of pupils as of March 30 scheduled to attend

1 classes that will be operated by the joint district. The student count for
2 the district of residence of the pupils registered at the joint district
3 shall be adjusted. The adjustment shall cause the district of residence to
4 reduce the student count for the pupil to reflect the courses to be taken at
5 the joint district. The district of residence shall review and approve the
6 adjustment of its own student count as provided in this subdivision before
7 the pupils from the school district can be added to the student count of the
8 joint district.

9 (b) The student count for the new joint district shall be the student
10 count as determined in subdivision (a) of this paragraph.

11 (c) After the first one hundred days or two hundred days in session,
12 as applicable, for the first year of operation, the joint district shall
13 revise the student count to the actual student count for students attending
14 classes in the joint district. A joint district shall revise its student
15 count, the base support level as provided in section 15-943.02, the revenue
16 control limit as provided in section 15-944.01, the capital outlay revenue
17 limit and the soft capital allocation as provided in section 15-962.01 prior
18 to May 15. A joint district that overestimated its student count shall
19 revise its budget prior to May 15. A joint district that underestimated its
20 student count may revise its budget prior to May 15.

21 (d) After the first one hundred days or two hundred days in session,
22 as applicable, for the first year of operation, the district of residence
23 shall adjust its student count by reducing it to reflect the courses actually
24 taken at the joint district. The district of residence shall revise its
25 student count, the base support level as provided in section 15-943, the
26 revenue control limit as provided in section 15-944, the capital outlay
27 revenue limit as provided in section 15-961 and the soft capital allocation
28 as provided in section 15-962 prior to May 15. A district that
29 underestimated the student count for students attending the joint district
30 shall revise its budget prior to May 15. A district that overestimated the
31 student count for students attending the joint district may revise its budget
32 prior to May 15.

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

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

37 (g) Pupils in an approved joint technical education district
38 centralized program may generate an average daily attendance of 1.0 for
39 attendance hours during any hour of the day, during any day of the week and
40 at any time between July 1 and June 30 of each fiscal year.

41 For the purposes of this paragraph, "district of residence" means the
42 district that included the pupil in its average daily membership for the year
43 before the first year of operation of the joint district and that would have
44 included the pupil in its student count for the purposes of computing its

1 base support level for the fiscal year of the first year of operation of the
2 joint district if the pupil had not enrolled in the joint district.

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

6 (a) A student in a kindergarten program or in grades one through eight
7 who enrolls in courses offered by the joint technical education district
8 shall not be included in the joint district's ~~average daily attendance or~~
9 average daily membership.

10 (b) A student in a kindergarten program or in grades one through eight
11 who is enrolled in vocational education courses shall not be funded in whole
12 or in part with monies provided by a joint technical education district.

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

16 (d) A student in grade nine who enrolls in a career exploration course
17 shall not be included in the joint district's ~~average daily attendance or~~
18 average daily membership.

19 6. A joint district may operate for more than one hundred seventy-five
20 days per year, with expanded hours of service.

21 7. A joint district may use the excess utility costs provisions of
22 section 15-910 in the same manner as a school district for fiscal years
23 1999-2000 and 2000-2001, except that the base year shall be the first full
24 fiscal year of operations.

25 8. A joint district may use the carryforward provisions of section
26 15-943.01 retroactively to July 1, 1993.

27 9. A school district that is part of a joint district shall use any
28 monies received pursuant to this article to supplement and not supplant base
29 year career and technical education and vocational education courses, and
30 directly related equipment and facilities, except that a school district that
31 is part of a joint technical education district and that has used monies
32 received pursuant to this article to supplant career and technological
33 education and vocational education courses that were offered before the first
34 year that the school district participated in the joint district or the first
35 year that the school district used monies received pursuant to this article
36 or that used the monies for purposes other than for career and technological
37 education and vocational education courses shall use one hundred per cent of
38 the monies received pursuant to this article to supplement and not supplant
39 base year career and technical education and vocational education courses.

40 10. A joint technical education district shall use any monies received
41 pursuant to this article to enhance and not supplant career and technical
42 education and vocational education courses and directly related equipment and
43 facilities.

44 11. A joint technical education district or a school district that is
45 part of a joint district shall only include pupils in grades nine through

1 twelve in the calculation of average daily membership ~~or average daily~~
2 ~~attendance~~ if the pupils are enrolled in courses that are approved jointly by
3 the governing board of the joint technical education district and each
4 participating school district for satellite courses taught within the
5 participating school district, or approved solely by the joint technical
6 education district for centrally located courses. Average daily membership
7 ~~and average daily attendance~~ from courses that are not part of an approved
8 program for career and technical education shall not be included in average
9 daily membership ~~and average daily attendance~~ of a joint technical education
10 district. A student in grade nine who enrolls in a career exploration course
11 shall not be included in the joint district's ~~average daily attendance or~~
12 average daily membership.

13 E. The joint board shall appoint a superintendent as the executive
14 officer of the joint district.

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

22 G. The schools in the joint district are available to all persons who
23 reside in the joint district subject to the rules for admission prescribed by
24 the joint board.

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

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

32 J. One member of the joint board shall be selected chairman. The
33 chairman shall be selected annually on a rotation basis from among the
34 participating school districts. The chairman of the joint board shall be a
35 voting member.

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

39 L. Any agreement between the governing board of a joint technical
40 education district and another joint technical education district, a school
41 district, a charter school or a community college district shall be in the
42 form of an intergovernmental agreement or other written contract. The
43 auditor general shall modify the uniform system of financial records and
44 budget forms in accordance with this subsection. The intergovernmental

1 agreement or other written contract shall completely and accurately specify
2 each of the following:

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

5 2. The accountability provisions of the intergovernmental agreement or
6 other written contract.

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

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

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

15 6. The transportation services that will be provided under the
16 intergovernmental agreement or other written contract and the manner in which
17 transportation costs will be paid.

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

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

24 9. That the payment for services shall not exceed the cost of the
25 services provided.

26 10. That any initial intergovernmental agreement or other written
27 contract and any addendums between the governing board of a joint technical
28 education district and another joint technical education district, a school
29 district, a charter school or a community college district be submitted by
30 the joint technical education district to the joint legislative budget
31 committee for review.

32 M. On or before December 31 of each year, each joint technical
33 education district shall submit a detailed report to the career and technical
34 education division of the department of education. The career and technical
35 education division of the department of education shall collect, summarize
36 and analyze the data submitted by the joint districts, shall submit an annual
37 report that summarizes the data submitted by the joint districts to the
38 governor, the speaker of the house of representatives, the president of the
39 senate and the state board of education and shall submit a copy of this
40 report to the secretary of state. The data submitted by each joint technical
41 education district shall include the following:

42 1. The average daily membership of the joint district.

43 2. The program listings and program descriptions of programs offered
44 by the joint district, including the course sequences for each program.

1 3. The costs associated with each program offered by the joint
2 district.

3 4. The completion rate for each program offered by the joint district.
4 For the purposes of this paragraph, "completion rate" means the completion
5 rate for students who are designated as concentrators in that program by the
6 department of education under the career and technology approved plan.

7 5. The graduation rate from the school district of residence of
8 students who have completed a program in the joint district.

9 6. A detailed description of the career opportunities available to
10 students after completion of the program offered by the joint district.

11 7. A detailed description of the career placement of students who have
12 completed the program offered by the joint district.

13 8. Any other data deemed necessary by the department of education to
14 carry out its duties under this subsection.

15 N. If the career and technical education division of the department of
16 education determines that a course does not meet the criteria for approval as
17 a joint technical education course, the governing board of the joint
18 technical education district may appeal this decision to the state board of
19 education acting as the state board of vocational education.

20 O. Notwithstanding any other law, the average daily membership of a
21 pupil who is enrolled in a course that meets for at least one hundred fifty
22 minutes per class period at a centralized campus owned and operated by a
23 joint technical education district shall be 0.75. The sum of daily
24 attendance, as provided in section 15-901, subsection A, paragraph 6 and the
25 sum of the fractional student enrollment, as provided in section 15-901,
26 subsection A, paragraph 2, subdivision (a), for that pupil in both the member
27 school district and joint technical education district courses provided at a
28 community college pursuant to subsection K of this section or at a facility
29 owned and operated by a joint technical education district that is not
30 located on a site of a member district shall not exceed 1.75. The member
31 school district and the joint district shall determine the apportionment of
32 the daily attendance and student enrollment for that pupil between the member
33 school district and the joint district, except the amount apportioned shall
34 not exceed 1.0 for either entity.

35 P. For the purposes of this section, "base year" means the complete
36 school year in which voters of a school district elected to join a joint
37 technical education district.

38 Sec. 12. Repeal

39 Section 15-393, Arizona Revised Statutes, as amended by Laws 2010,
40 chapter 318, section 5, is repealed.

41 Sec. 13. Section 15-808, Arizona Revised Statutes, as amended by Laws
42 2010, chapter 306, section 5, is amended to read:

43 15-808. Arizona online instruction; reports; definitions

44 A. Arizona online instruction shall be instituted to meet the needs of
45 pupils in the information age. The state board of education shall select

1 traditional public schools and the state board for charter schools shall
2 sponsor charter schools to be online course providers or online schools. The
3 state board of education and the state board for charter schools shall
4 jointly develop standards for the approval of online course providers and
5 online schools based on the following criteria:

- 6 1. The depth and breadth of curriculum choices.
- 7 2. The variety of educational methodologies employed by the school and
8 the means of addressing the unique needs and learning styles of targeted
9 pupil populations, including computer assisted learning systems, virtual
10 classrooms, virtual laboratories, electronic field trips, electronic mail,
11 virtual tutoring, online help desk, group chat sessions and noncomputer based
12 activities performed under the direction of a certificated teacher.
- 13 3. The availability of an intranet or private network to safeguard
14 pupils against predatory and pornographic elements of the internet.
- 15 4. The availability of filtered research access to the internet.
- 16 5. The availability of private individual electronic mail between
17 pupils, teachers, administrators and parents in order to protect the
18 confidentiality of pupil records and information.
- 19 6. The availability of faculty members who are experienced with
20 computer networks, the internet and computer animation.
- 21 7. The extent to which the school intends to develop partnerships with
22 universities, community colleges and private businesses.
- 23 8. The services offered to developmentally disabled populations.
- 24 9. The grade levels that will be served.

25 B. Each new school that provides online instruction shall provide
26 online instruction on a probationary status. After a new school that
27 provides online instruction has clearly demonstrated the academic integrity
28 of its instruction through the actual improvement of the academic performance
29 of its students, the school may apply to be removed from probationary status.
30 The state board of education or the state board for charter schools shall
31 remove from Arizona online instruction any probationary school that fails to
32 clearly demonstrate improvement in academic performance within three years
33 measured against goals in the approved application and the state's
34 accountability system. The state board of education and the state board for
35 charter schools shall review the effectiveness of each participating school
36 and other information that is contained in the annual report prescribed in
37 subsection D of this section. All pupils who participate in Arizona online
38 instruction shall reside in this state. Pupils who participate in Arizona
39 online instruction are subject to the testing requirements prescribed in
40 chapter 7, article 3 of this title. Upon enrollment, the school shall notify
41 the parents or guardians of the pupil of the state testing requirements. If
42 a pupil fails to comply with the testing requirements and the school
43 administers the tests pursuant to this subsection to less than ninety-five
44 per cent of the pupils in Arizona online instruction, the pupil shall not be
45 allowed to participate in Arizona online instruction.

1 C. Beginning July 1, 2010, the state board of education and the state
2 board for charter schools shall develop annual reporting mechanisms for
3 schools that participate in Arizona online instruction.

4 D. The department of education shall compile the information submitted
5 in the annual reports by schools participating in Arizona online instruction.
6 The department of education shall submit the compiled report to the governor,
7 the speaker of the house of representatives and the president of the senate
8 by November 15 of each year.

9 E. Each school selected for Arizona online instruction shall ensure
10 that a daily log is maintained for each pupil who participates in Arizona
11 online instruction. The daily log shall describe the amount of time spent by
12 each pupil participating in Arizona online instruction pursuant to this
13 section on academic tasks. The daily log shall be used by the school
14 district or charter school to qualify the pupils who participate in Arizona
15 online instruction in the school's average daily attendance calculations
16 pursuant to ~~section 15-901~~ SUBSECTION F OF THIS SECTION.

17 F. If a pupil is enrolled in a school district or charter school and
18 also participates in Arizona online instruction, the sum of the average daily
19 membership, which includes enrollment as prescribed in section 15-901,
20 subsection A, paragraph ~~2- 1~~, subdivisions (a) and (b) and daily attendance
21 as prescribed in section 15-901, subsection A, paragraph ~~6- 5~~, for that pupil
22 in the school district or charter school and in Arizona online instruction
23 shall not exceed 1.0. If the pupil is enrolled in a school district or a
24 charter school and also participates in Arizona online instruction and the
25 sum of the daily membership or daily attendance for that pupil is greater
26 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
27 the school district, unless the school district is a joint technical
28 education district subject to the apportionment requirements of section
29 15-393, or charter school and Arizona online instruction based on the
30 percentage of total time that the pupil is enrolled or in attendance in the
31 school district or charter school and Arizona online instruction. The
32 uniform system of financial records shall include guidelines for the
33 apportionment of the pupil enrollment and attendance as provided in this
34 subsection. Pupils in Arizona online instruction do not incur absences for
35 purposes of ~~section 15-901~~ THIS SUBSECTION and may generate an average daily
36 attendance of 1.0 for attendance hours during any hour of the day, during any
37 day of the week and at any time between July 1 and June 30 of each fiscal
38 year. For kindergarten programs and grades one through eight, average daily
39 membership shall be calculated by dividing the instructional hours as
40 reported in the daily log required in subsection E of this section by the
41 applicable hourly requirements prescribed in section 15-901. For grades nine
42 through twelve, average daily membership shall be calculated by dividing the
43 instructional hours as reported in the daily log required in subsection E of
44 this section by nine hundred. The average daily membership of a pupil who
45 participates in online instruction shall not exceed 1.0. Average daily

1 membership shall not be calculated on the one hundredth day of instruction
2 for the purposes of this section. Funding shall be determined as follows:

3 1. A pupil who is enrolled full-time in Arizona online instruction
4 shall be funded for online instruction at ninety-five per cent of the base
5 support level that would be calculated for that pupil if that pupil were
6 enrolled as a full-time student in a school district or charter school that
7 does not participate in Arizona online instruction. Additional assistance,
8 capital outlay revenue limit and soft capital allocation limit shall be
9 calculated in the same manner they would be calculated if the student were
10 enrolled in a district or charter school that does not participate in Arizona
11 online instruction.

12 2. A pupil who is enrolled part-time in Arizona online instruction
13 shall be funded for online instruction at eighty-five per cent of the base
14 support level that would be calculated for that pupil if that pupil were
15 enrolled as a part-time student in a school district or charter school that
16 does not participate in Arizona online instruction. Additional assistance,
17 capital outlay revenue limit and soft capital allocation limit shall be
18 calculated in the same manner they would be calculated if the student were
19 enrolled in a district or charter school that does not participate in Arizona
20 online instruction.

21 G. If the academic achievement of a pupil declines while the pupil is
22 participating in Arizona online instruction, the pupil's parents, the pupil's
23 teachers and the principal or head teacher of the school shall confer to
24 evaluate whether the pupil should be allowed to continue to participate in
25 Arizona online instruction.

26 H. To ensure the academic integrity of pupils who participate in
27 online instruction, Arizona online instruction shall include multiple diverse
28 assessment measures and the proctored administration of required state
29 standardized tests.

30 I. For the purposes of this section:

31 1. "Full-time student" means:

32 (a) A student who is at least five years of age before September 1 of
33 a school year and who is enrolled in a school kindergarten program that meets
34 at least three hundred forty six hours during the school year.

35 (b) A student who is at least six years of age before September 1 of a
36 school year, who has not graduated from the highest grade taught in the
37 school and who is regularly enrolled in a course of study required by the
38 state board of education. For first, second and third grade students, the
39 instructional program shall meet at least seven hundred twelve hours. For
40 fourth, fifth and sixth grade students, the instructional program shall meet
41 at least eight hundred ninety hours during the school year.

42 (c) Seventh and eighth grade students or ungraded students who are at
43 least twelve, but under fourteen, years of age on or before September 1 and
44 who are enrolled in an instructional program of courses that meets at least
45 one thousand sixty-eight hours during the school year.

1 (d) For high schools, except as provided in section 15-105, a student
2 not graduated from the highest grade taught in the school district, or an
3 ungraded student at least fourteen years of age on or before September 1, and
4 who is enrolled in at least four courses throughout the year that meet at
5 least nine hundred hours during the school year. A full-time student shall
6 not be counted more than once for computation of average daily membership.

7 2. "Online course provider" means a school other than an online school
8 that is selected by the state board of education or the state board for
9 charter schools to participate in Arizona online instruction pursuant to this
10 section and that provides at least one online academic course that is
11 approved by the state board of education.

12 3. "Online school" means a school that provides at least four online
13 academic courses or one or more online courses for the equivalent of at least
14 five hours each day for one hundred eighty school days and that is a charter
15 school that is sponsored by the state board for charter schools or a
16 traditional public school that is selected by the state board of education to
17 participate in Arizona online instruction.

18 4. "Part-time student" means:

19 (a) Any student who is enrolled in a program that does not meet the
20 definition in paragraph 1 of this subsection shall be funded at eighty-five
21 per cent of the base support level that would be calculated for that pupil if
22 that pupil were enrolled as a part-time student in a school district or
23 charter school that does not participate in Arizona online instruction.

24 (b) A part-time student of seventy-five per cent average daily
25 membership shall be enrolled in at least three subjects throughout the year
26 that offer for first, second and third grade students at least five hundred
27 thirty-four instructional hours in a school year and for fourth, fifth and
28 sixth grade students at least six hundred sixty-eight instructional hours in
29 a school year. A part-time student of fifty per cent average daily
30 membership shall be enrolled in at least two subjects throughout the year
31 that offer for first, second and third grade students at least three hundred
32 fifty-six instructional hours in a school year and for fourth, fifth and
33 sixth grade students at least four hundred forty-five instructional hours in
34 a school year. A part-time student of twenty-five per cent average daily
35 membership shall be enrolled in at least one subject throughout the year that
36 offers for first, second and third grade students at least one hundred
37 seventy-eight instructional hours in a school year and for fourth, fifth and
38 sixth grade students at least two hundred twenty-three instructional hours in
39 a school year.

40 (c) For seventh and eighth grade students, a part-time student of
41 seventy-five per cent average daily membership shall be enrolled in at least
42 three subjects throughout the year that offer at least eight hundred one
43 instructional hours in a school year. A part-time student of fifty per cent
44 average daily membership shall be enrolled in at least two subjects
45 throughout the year that offer at least five hundred thirty-four

1 instructional hours in a school year. A part-time student of twenty-five per
2 cent average daily membership shall be enrolled in at least one subject
3 throughout the year that offers at least two hundred sixty-seven
4 instructional hours in a school year.

5 (d) For high school students, a part-time student of seventy-five per
6 cent average daily membership shall be enrolled in at least three subjects
7 throughout the year that offer at least six hundred seventy-five
8 instructional hours in a school year. A part-time student of fifty per cent
9 average daily membership shall be enrolled in at least two subjects
10 throughout the year that offer at least four hundred fifty instructional
11 hours in a school year. A part-time student of twenty-five per cent average
12 daily membership shall be enrolled in at least one subject throughout the
13 year that offers at least two hundred twenty-five instructional hours in a
14 school year.

15 Sec. 14. Repeal

16 Section 15-808, Arizona Revised Statutes, as amended by Laws 2010,
17 chapter 318, section 10, is repealed.

18 Sec. 15. Section 15-901, Arizona Revised Statutes, as amended by Laws
19 2010, seventh special session, chapter 8, section 2 and Laws 2010, second
20 regular session, chapter 220, section 2, chapter 306, section 6 and chapter
21 332, section 15, is amended to read:

22 15-901. Definitions

23 A. In this title, unless the context otherwise requires:

24 ~~1. "Average daily attendance" or "ADA" means actual average daily~~
25 ~~attendance through the first one hundred days or two hundred days in session,~~
26 ~~as applicable.~~

27 ~~2.~~ 1. "Average daily membership" means the total enrollment of
28 fractional students and full-time students, minus withdrawals, ~~of each school~~
29 ~~day through the first one hundred days or two hundred days in session, as~~
30 ~~applicable, for the current year WHO ARE ENROLLED ON SEPTEMBER 15, NOVEMBER~~
31 ~~15, JANUARY 15 AND MARCH 15, DIVIDED BY FOUR.~~ Withdrawals include students
32 formally withdrawn from schools and students absent for ten consecutive
33 school days, except for excused absences ~~as~~ identified by the department of
34 education. ~~FOR THE PURPOSES OF THIS SECTION, SCHOOL DISTRICTS AND CHARTER~~
35 ~~SCHOOLS SHALL REPORT STUDENT ABSENCE DATA TO THE DEPARTMENT OF EDUCATION AT~~
36 ~~LEAST ONCE EVERY SIXTY DAYS IN SESSION.~~ For computation purposes, the
37 effective date of withdrawal shall be retroactive to the last day of actual
38 attendance of the student ~~OR EXCUSED ABSENCE.~~

39 (a) "Fractional student" means:

40 (i) For common schools, ~~until fiscal year 2001-2002,~~ a preschool child
41 who is enrolled in a program for preschool children with disabilities of at
42 least three hundred sixty minutes each week or a kindergarten student at
43 least five years of age prior to January 1 of the school year and enrolled in
44 a school kindergarten program that meets at least ~~three hundred forty-six~~
45 ~~instructional hours during the minimum number of days required in a school~~

1 ~~year as provided in section 15 341. In fiscal year 2001 2002, the~~
2 ~~kindergarten program shall meet at least three hundred forty eight hours. In~~
3 ~~fiscal year 2002 2003, the kindergarten program shall meet at least three~~
4 ~~hundred fifty hours. In fiscal year 2003 2004, the kindergarten program~~
5 ~~shall meet at least three hundred fifty two hours. In fiscal year 2004 2005,~~
6 ~~the kindergarten program shall meet at least three hundred fifty four hours.~~
7 ~~In fiscal year 2005 2006 and each fiscal year thereafter, the kindergarten~~
8 ~~program shall meet at least~~ three hundred fifty-six hours FOR A ONE HUNDRED
9 EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS
10 SECTION. Lunch periods and recess periods may not be included as part of the
11 instructional hours unless the child's individualized education program
12 requires instruction during those periods and the specific reasons for such
13 instruction are fully documented. In computing the average daily membership,
14 preschool children with disabilities and kindergarten students shall be
15 counted as one-half of a full-time student. For common schools, a part-time
16 student is a student enrolled for less than the total time for a full-time
17 student as defined in this section. A part-time common school student shall
18 be counted as one-fourth, one-half or three-fourths of a full-time student if
19 the student is enrolled in an instructional program that is at least
20 one-fourth, one-half or three-fourths of the time a full-time student is
21 enrolled as defined in subdivision (b) of this paragraph.

22 (ii) For high schools, a part-time student who is enrolled in less
23 than four subjects that count toward graduation as defined by the state board
24 of education in a recognized high school. ~~and who is taught in less than~~
25 ~~twenty instructional hours per week prorated for any week with fewer than~~
26 ~~five school days. A part time high school student shall be counted as~~
27 ~~one fourth, one half or three fourths of a full time student if the student~~
28 ~~is enrolled in an instructional program that is at least one fourth, one half~~
29 ~~or three fourths of a full time instructional program as defined in~~
30 ~~subdivision (c) of this paragraph. THE AVERAGE DAILY MEMBERSHIP OF A~~
31 ~~PART-TIME HIGH SCHOOL STUDENT SHALL BE 0.75 IF THE STUDENT IS ENROLLED IN AN~~
32 ~~INSTRUCTIONAL PROGRAM OF THREE SUBJECTS THAT MEET AT LEAST FIVE HUNDRED~~
33 ~~EIGHTY HOURS FOR A ONE HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL~~
34 ~~HOURS PRESCRIBED IN THIS SECTION. THE AVERAGE DAILY MEMBERSHIP OF A~~
35 ~~PART-TIME HIGH SCHOOL STUDENT SHALL BE 0.5 IF THE STUDENT IS ENROLLED IN AN~~
36 ~~INSTRUCTIONAL PROGRAM OF TWO SUBJECTS THAT MEET AT LEAST THREE HUNDRED SIXTY~~
37 ~~HOURS FOR A ONE HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS~~
38 ~~PRESCRIBED IN THIS SECTION. THE AVERAGE DAILY MEMBERSHIP OF A PART-TIME HIGH~~
39 ~~SCHOOL STUDENT SHALL BE 0.25 IF THE STUDENT IS ENROLLED IN AN INSTRUCTIONAL~~
40 ~~PROGRAM OF ONE SUBJECT THAT MEETS AT LEAST ONE HUNDRED EIGHTY HOURS FOR A ONE~~
41 ~~HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS~~
42 ~~SECTION.~~

43 (b) "Full-time student" means:

44 (i) For common schools, a student who is at least six years of age
45 prior to January 1 of a school year, who has not graduated from the highest

1 grade taught in the school district and who is regularly enrolled in a course
2 of study required by the state board of education. ~~Until fiscal year~~
3 ~~2001-2002~~, First, second and third grade students, ungraded students at least
4 six, but under nine, years of age by September 1 or ungraded group B children
5 with disabilities who are at least five, but under six, years of age by
6 September 1 must be enrolled in an instructional program that meets for a
7 total of at least ~~six hundred ninety two hours during the minimum number of~~
8 ~~days required in a school year as provided in section 15-341. In fiscal year~~
9 ~~2001-2002, the program shall meet at least six hundred ninety six hours. In~~
10 ~~fiscal year 2002-2003, the program shall meet at least seven hundred hours.~~
11 ~~In fiscal year 2003-2004, the program shall meet at least seven hundred four~~
12 ~~hours. In fiscal year 2004-2005, the program shall meet at least seven~~
13 ~~hundred eight hours. In fiscal year 2005-2006 and in each fiscal year~~
14 ~~thereafter, the program shall meet at least seven hundred twelve hours.~~
15 ~~Until fiscal year 2001-2002, SEVEN HUNDRED TWELVE HOURS FOR A ONE HUNDRED~~
16 ~~EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS~~
17 ~~SECTION.~~ Fourth, fifth and sixth grade students or ungraded students at
18 least nine, but under twelve, years of age by September 1 must be enrolled in
19 an instructional program that meets for a total of at ~~least eight hundred~~
20 ~~sixty-five hours during the minimum number of school days required in a~~
21 ~~school year as provided in section 15-341. In fiscal year 2001-2002, the~~
22 ~~program shall meet at least eight hundred seventy hours. In fiscal year~~
23 ~~2002-2003, the program shall meet at least eight hundred seventy-five hours.~~
24 ~~In fiscal year 2003-2004, the program shall meet at least eight hundred~~
25 ~~eighty hours. In fiscal year 2004-2005, the program shall meet at least~~
26 ~~eight hundred eighty five hours. In fiscal year 2005-2006 and each fiscal~~
27 ~~year thereafter, the program shall meet at least eight hundred ninety hours.~~
28 ~~Until fiscal year 2001-2002, LEAST EIGHT HUNDRED NINETY HOURS FOR A ONE~~
29 ~~HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS~~
30 ~~SECTION.~~ Seventh and eighth grade students or ungraded students at least
31 twelve, but under fourteen, years of age by September 1 must be enrolled in
32 an instructional program that meets for a ~~total of at least one thousand~~
33 ~~thirty-eight hours during the minimum number of days required in a school~~
34 ~~year as provided in section 15-341. In fiscal year 2001-2002, the program~~
35 ~~shall meet at least one thousand forty-four hours. In fiscal year 2002-2003,~~
36 ~~the program shall meet at least one thousand fifty hours. In fiscal year~~
37 ~~2003-2004, the program shall meet at least one thousand fifty-six hours. In~~
38 ~~fiscal year 2004-2005, the program shall meet at least one thousand sixty-two~~
39 ~~hours.~~ In fiscal years 2005-2006 through 2009-2010, the program shall meet
40 at least one thousand sixty-eight hours. In fiscal year 2010-2011 and each
41 fiscal year thereafter, the program shall meet at least one thousand hours.
42 Lunch periods and recess periods may not be included as part of the
43 instructional hours unless the student is a child with a disability and the
44 child's individualized education program requires instruction during those
45 periods and the specific reasons for such instruction are fully documented.

1 (ii) For high schools, except as provided in section 15-105, a student
2 not graduated from the highest grade taught in the school district, or an
3 ungraded student at least fourteen years of age by September 1, and enrolled
4 in at least ~~a full-time~~ AN instructional program of **FOUR OR MORE** subjects
5 that count toward graduation as defined by the state board of education, **THAT**
6 **MEETS FOR A TOTAL OF AT LEAST SEVEN HUNDRED TWENTY HOURS FOR A ONE HUNDRED**
7 **EIGHTY DAY SCHOOL YEAR, OR THE INSTRUCTIONAL HOURS PRESCRIBED IN THIS SECTION**
8 in a recognized high school. A full-time student shall not be counted more
9 than once for computation of average daily membership. **THE AVERAGE DAILY**
10 **MEMBERSHIP OF A FULL-TIME HIGH SCHOOL STUDENT SHALL BE 1.0 IF THE STUDENT IS**
11 **ENROLLED IN AT LEAST FOUR SUBJECTS THAT MEET AT LEAST SEVEN HUNDRED TWENTY**
12 **HOURS FOR A ONE HUNDRED EIGHTY DAY SCHOOL YEAR, OR THE EQUIVALENT**
13 **INSTRUCTIONAL HOURS PRESCRIBED IN THIS SECTION.**

14 (iii) Except as otherwise provided by law, for a full-time high school
15 student who is concurrently enrolled in two school districts or two charter
16 schools, the average daily membership shall not exceed 1.0.

17 (iv) Except as otherwise provided by law, for any student who is
18 concurrently enrolled in a school district and a charter school, the average
19 daily membership shall be apportioned between the school district and the
20 charter school and shall not exceed 1.0. The apportionment shall be based on
21 the percentage of total time that the student is enrolled in or in attendance
22 at the school district and the charter school.

23 (v) Except as otherwise provided by law, for any student who is
24 concurrently enrolled, pursuant to section 15-808, in a school district and
25 Arizona online instruction or a charter school and Arizona online
26 instruction, the average daily membership shall be apportioned between the
27 school district and Arizona online instruction or the charter school and
28 Arizona online instruction and shall not exceed 1.0. The apportionment shall
29 be based on the percentage of total time that the student is enrolled in or
30 in attendance at the school district and Arizona online instruction or the
31 charter school and Arizona online instruction.

32 (vi) For homebound or hospitalized, a student receiving at least four
33 hours of instruction per week.

34 ~~(c) "Full-time instructional program" means:~~

35 ~~(i) Through fiscal year 2000-2001, at least four subjects, each of~~
36 ~~which, if taught each school day for the minimum number of days required in a~~
37 ~~school year, would meet a minimum of one hundred twenty hours a year, or the~~
38 ~~equivalent, or one or more subjects taught in amounts of time totaling at~~
39 ~~least twenty hours per week prorated for any week with fewer than five school~~
40 ~~days.~~

41 ~~(ii) For fiscal year 2001-2002, an instructional program that meets at~~
42 ~~least a total of seven hundred four hours during the minimum number of days~~
43 ~~required and includes at least four subjects each of which, if taught each~~
44 ~~school day for the minimum number of days required in a school year, would~~
45 ~~meet a minimum of one hundred twenty-two hours a year, or the equivalent, or~~

1 ~~one or more subjects taught in amounts of time totaling at least twenty hours~~
2 ~~per week prorated for any week with fewer than five school days.~~

3 ~~(iii) For fiscal year 2002-2003, an instructional program that meets~~
4 ~~at least a total of seven hundred eight hours during the minimum number of~~
5 ~~days required and includes at least four subjects each of which, if taught~~
6 ~~each school day for the minimum number of days required in a school year,~~
7 ~~would meet a minimum of one hundred twenty two hours a year, or the~~
8 ~~equivalent, or one or more subjects taught in amounts of time totaling at~~
9 ~~least twenty hours per week prorated for any week with fewer than five school~~
10 ~~days.~~

11 ~~(iv) For fiscal year 2003-2004, an instructional program that meets at~~
12 ~~least a total of seven hundred twelve hours during the minimum number of days~~
13 ~~required and includes at least four subjects each of which, if taught each~~
14 ~~school day for the minimum number of days required in a school year, would~~
15 ~~meet a minimum of one hundred twenty three hours a year, or the equivalent,~~
16 ~~or one or more subjects taught in amounts of time totaling at least twenty~~
17 ~~hours per week prorated for any week with fewer than five school days.~~

18 ~~(v) For fiscal year 2004-2005, an instructional program that meets at~~
19 ~~least a total of seven hundred sixteen hours during the minimum number of~~
20 ~~days required and includes at least four subjects each of which, if taught~~
21 ~~each school day for the minimum number of days required in a school year,~~
22 ~~would meet a minimum of one hundred twenty three hours a year, or the~~
23 ~~equivalent, or one or more subjects taught in amounts of time totaling at~~
24 ~~least twenty hours per week prorated for any week with fewer than five school~~
25 ~~days.~~

26 ~~(vi) For fiscal year 2005-2006 and each fiscal year thereafter, an~~
27 ~~instructional program that meets at least a total of seven hundred twenty~~
28 ~~hours during the minimum number of days required and includes at least four~~
29 ~~subjects each of which, if taught each school day for the minimum number of~~
30 ~~days required in a school year, would meet a minimum of one hundred~~
31 ~~twenty three hours a year, or the equivalent, or one or more subjects taught~~
32 ~~in amounts of time totaling at least twenty hours per week prorated for any~~
33 ~~week with fewer than five school days.~~

34 ~~3.~~ 2. "Budget year" means the fiscal year for which the school
35 district is budgeting and which immediately follows the current year.

36 ~~4.~~ 3. "Common school district" means a political subdivision of this
37 state offering instruction to students in programs for preschool children
38 with disabilities and kindergarten programs and either:

39 (a) Grades one through eight.

40 (b) Grades one through nine pursuant to section 15-447.01.

41 ~~5.~~ 4. "Current year" means the fiscal year in which a school district
42 is operating.

43 ~~6.~~ 5. "Daily attendance" means:

44 (a) For common schools, days in which a pupil:

1 (i) Of a kindergarten program or ungraded, but not group B children
2 with disabilities, and at least five, but under six, years of age by
3 September 1 attends at least three-quarters of the instructional time
4 scheduled for the day. If the total instruction time scheduled for the year
5 is at least three hundred forty-six hours but is less than six hundred
6 ninety-two hours such attendance shall be counted as one-half day of
7 attendance. If the instructional time scheduled for the year is at least six
8 hundred ninety-two hours, "daily attendance" means days in which a pupil
9 attends at least one-half of the instructional time scheduled for the day.
10 Such attendance shall be counted as one-half day of attendance.

11 (ii) Of the first, second or third grades, ungraded and at least six,
12 but under nine, years of age by September 1 or ungraded group B children with
13 disabilities and at least five, but under six, years of age by September 1
14 attends more than three-quarters of the instructional time scheduled for the
15 day.

16 (iii) Of the fourth, fifth or sixth grades or ungraded and at least
17 nine, but under twelve, years of age by September 1 attends more than
18 three-quarters of the instructional time scheduled for the day, except as
19 provided in section 15-797.

20 (iv) Of the seventh or eighth grades or ungraded and at least twelve,
21 but under fourteen, years of age by September 1 attends more than
22 three-quarters of the instructional time scheduled for the day, except as
23 provided in section 15-797.

24 (b) For common schools, the attendance of a pupil at three-quarters or
25 less of the instructional time scheduled for the day shall be counted as
26 follows, except as provided in section 15-797 and except that attendance for
27 a fractional student shall not exceed the pupil's fractional membership:

28 (i) If attendance for all pupils in the school is based on quarter
29 days, the attendance of a pupil shall be counted as one-fourth of a day's
30 attendance for each one-fourth of full-time instructional time attended.

31 (ii) If attendance for all pupils in the school is based on half days,
32 the attendance of at least three-quarters of the instructional time scheduled
33 for the day shall be counted as a full day's attendance and attendance at a
34 minimum of one-half but less than three-quarters of the instructional time
35 scheduled for the day equals one-half day of attendance.

36 (c) For common schools, the attendance of a preschool child with
37 disabilities shall be counted as one-fourth day's attendance for each
38 thirty-six minutes of attendance not including lunch periods and recess
39 periods, except as provided in paragraph 2, subdivision (a), item (i) of this
40 subsection for children with disabilities up to a maximum of three hundred
41 sixty minutes each week.

42 (d) For high schools or ungraded schools in which the pupil is at
43 least fourteen years of age by September 1, the attendance of a pupil shall
44 not be counted as a full day unless the pupil is actually and physically in
45 attendance and enrolled in and carrying four subjects, each of which, if

1 taught each school day for the minimum number of days required in a school
2 year, would meet a minimum of one hundred twenty hours a year, or the
3 equivalent, that count toward graduation in a recognized high school except
4 as provided in section 15-797 and subdivision (e) of this paragraph.
5 Attendance of a pupil carrying less than the load prescribed shall be
6 prorated.

7 (e) For high schools or ungraded schools in which the pupil is at
8 least fourteen years of age by September 1, the attendance of a pupil may be
9 counted as one-fourth of a day's attendance for each sixty minutes of
10 instructional time in a subject that counts toward graduation, except that
11 attendance for a pupil shall not exceed the pupil's full or fractional
12 membership.

13 (f) For homebound or hospitalized, a full day of attendance may be
14 counted for each day during a week in which the student receives at least
15 four hours of instruction.

16 (g) For school districts which maintain school for an approved
17 year-round school year operation, attendance shall be based on a computation,
18 as prescribed by the superintendent of public instruction, of the one hundred
19 eighty days' equivalency or two hundred days' equivalency, as applicable, of
20 instructional time as approved by the superintendent of public instruction
21 during which each pupil is enrolled.

22 ~~7.~~ 6. "Daily route mileage" means the sum of:

23 (a) The total number of miles driven daily by all buses of a school
24 district while transporting eligible students from their residence to the
25 school of attendance and from the school of attendance to their residence on
26 scheduled routes approved by the superintendent of public instruction.

27 (b) The total number of miles driven daily on routes approved by the
28 superintendent of public instruction for which a private party, a political
29 subdivision or a common or a contract carrier is reimbursed for bringing an
30 eligible student from the place of his residence to a school transportation
31 pickup point or to the school of attendance and from the school
32 transportation scheduled return point or from the school of attendance to his
33 residence. Daily route mileage includes the total number of miles necessary
34 to drive to transport eligible students from and to their residence as
35 provided in this paragraph.

36 ~~8.~~ 7. "District support level" means the base support level plus the
37 transportation support level.

38 ~~9.~~ 8. "Eligible students" means:

39 (a) Students who are transported by or for a school district and who
40 qualify as full-time students or fractional students, except students for
41 whom transportation is paid by another school district or a county school
42 superintendent, and:

43 (i) For common school students, whose place of actual residence within
44 the school district is more than one mile from the school facility of
45 attendance or students who are admitted pursuant to section 15-816.01 and who

1 meet the economic eligibility requirements established under the national
2 school lunch and child nutrition acts (42 United States Code sections 1751
3 through 1785) for free or reduced price lunches and whose actual place of
4 residence outside the school district boundaries is more than one mile from
5 the school facility of attendance.

6 (ii) For high school students, whose place of actual residence within
7 the school district is more than one and one-half miles from the school
8 facility of attendance or students who are admitted pursuant to section
9 15-816.01 and who meet the economic eligibility requirements established
10 under the national school lunch and child nutrition acts (42 United States
11 Code sections 1751 through 1785) for free or reduced price lunches and whose
12 actual place of residence outside the school district boundaries is more than
13 one and one-half miles from the school facility of attendance.

14 (b) Kindergarten students, for purposes of computing the number of
15 eligible students under subdivision (a), item (i) of this paragraph, shall be
16 counted as full-time students, notwithstanding any other provision of law.

17 (c) Children with disabilities, as defined by section 15-761, who are
18 transported by or for the school district or who are admitted pursuant to
19 chapter 8, article 1.1 of this title and who qualify as full-time students or
20 fractional students regardless of location or residence within the school
21 district or children with disabilities whose transportation is required by
22 the pupil's individualized education program.

23 (d) Students whose residence is outside the school district and who
24 are transported within the school district on the same basis as students who
25 reside in the school district.

26 ~~10-~~ 9. "Enrolled" or "enrollment" means when a pupil is currently
27 registered in the school district.

28 ~~11-~~ 10. "GDP price deflator" means the average of the four implicit
29 price deflators for the gross domestic product reported by the United States
30 department of commerce for the four quarters of the calendar year.

31 ~~12-~~ 11. "High school district" means a political subdivision of this
32 state offering instruction to students for grades nine through twelve or that
33 portion of the budget of a common school district which is allocated to
34 teaching high school subjects with permission of the state board of
35 education.

36 ~~13-~~ 12. "Revenue control limit" means the base revenue control limit
37 plus the transportation revenue control limit.

38 ~~14-~~ 13. "Student count" means average daily membership as prescribed
39 in this subsection for the fiscal year prior to the current year, except that
40 for the purpose of budget preparation student count means average daily
41 membership as prescribed in this subsection for the current year.

42 ~~15-~~ 14. "Submit electronically" means submitted in a format and in a
43 manner prescribed by the department of education.

44 ~~16-~~ 15. "Total bus mileage" means the total number of miles driven by
45 all buses of a school district during the school year.

1 ~~17.~~ 16. "Total students transported" means all eligible students
2 transported from their place of residence to a school transportation pickup
3 point or to the school of attendance and from the school of attendance or
4 from the school transportation scheduled return point to their place of
5 residence.

6 ~~18.~~ 17. "Unified school district" means a political subdivision of the
7 state offering instruction to students in programs for preschool children
8 with disabilities and kindergarten programs and grades one through twelve.

9 B. In this title, unless the context otherwise requires:

10 1. "Base" means the revenue level per student count specified by the
11 legislature.

12 2. "Base level" means the following amounts plus the percentage
13 increases to the base level as provided in sections 15-902.02, 15-918.04,
14 15-919.04 and 15-952, except that if a school district or charter school is
15 eligible for an increase in the base level as provided in two or more of
16 these sections, the base level amount shall be calculated by compounding
17 rather than adding the sum of one plus the percentage of the increase from
18 those different sections:

19 (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
20 dollars eighty-eight cents.

21 (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
22 dollars forty-two cents.

23 (c) For fiscal years 2009-2010 and 2010-2011, three thousand two
24 hundred sixty-seven dollars seventy-two cents.

25 3. "Base revenue control limit" means the base revenue control limit
26 computed as provided in section 15-944.

27 4. "Base support level" means the base support level as provided in
28 section 15-943.

29 5. "Certified teacher" means a person who is certified as a teacher
30 pursuant to the rules adopted by the state board of education, who renders
31 direct and personal services to school children in the form of instruction
32 related to the school district's educational course of study and who is paid
33 from the maintenance and operation section of the budget.

34 6. "DD" means programs for children with developmental delays who are
35 at least three years of age but under ten years of age. A preschool child
36 who is categorized under this paragraph is not eligible to receive funding
37 pursuant to section 15-943, paragraph 2, subdivision (b).

38 7. "ED, MIMR, SLD, SLI and OHI" means programs for children with
39 emotional disabilities, mild mental retardation, a specific learning
40 disability, a speech/language impairment and other health impairments. A
41 preschool child who is categorized as SLI under this paragraph is not
42 eligible to receive funding pursuant to section 15-943, paragraph 2,
43 subdivision (b).

1 8. "ED-P" means programs for children with emotional disabilities who
2 are enrolled in private special education programs as prescribed in section
3 15-765, subsection D, paragraph 1 or in an intensive school district program
4 as provided in section 15-765, subsection D, paragraph 2.

5 9. "ELL" means English learners who do not speak English or whose
6 native language is not English, who are not currently able to perform
7 ordinary classroom work in English and who are enrolled in an English
8 language education program pursuant to sections 15-751, 15-752 and 15-753.

9 10. "Full-time equivalent certified teacher" or "FTE certified teacher"
10 means for a certified teacher the following:

11 (a) If employed full time as defined in section 15-501, 1.00.

12 (b) If employed less than full time, multiply 1.00 by the percentage
13 of a full school day, or its equivalent, or a full class load, or its
14 equivalent, for which the teacher is employed as determined by the governing
15 board.

16 11. "Group A" means educational programs for career exploration, a
17 specific learning disability, an emotional disability, mild mental
18 retardation, remedial education, a speech/language impairment, developmental
19 delay, homebound, bilingual, other health impairments and gifted pupils.

20 12. "Group B" means educational improvements for pupils in kindergarten
21 programs and grades one through three, educational programs for autism, a
22 hearing impairment, moderate mental retardation, multiple disabilities,
23 multiple disabilities with severe sensory impairment, orthopedic impairments,
24 preschool severe delay, severe mental retardation and emotional disabilities
25 for school age pupils enrolled in private special education programs or in
26 school district programs for children with severe disabilities or visual
27 impairment and English learners enrolled in a program to promote English
28 language proficiency pursuant to section 15-752.

29 13. "HI" means programs for pupils with hearing impairment.

30 14. "Homebound" or "hospitalized" means a pupil who is capable of
31 profiting from academic instruction but is unable to attend school due to
32 illness, disease, accident or other health conditions, who has been examined
33 by a competent medical doctor and who is certified by that doctor as being
34 unable to attend regular classes for a period of not less than three school
35 months or a pupil who is capable of profiting from academic instruction but
36 is unable to attend school regularly due to chronic or acute health problems,
37 who has been examined by a competent medical doctor and who is certified by
38 that doctor as being unable to attend regular classes for intermittent
39 periods of time totaling three school months during a school year. The
40 medical certification shall state the general medical condition, such as
41 illness, disease or chronic health condition, that is the reason that the
42 pupil is unable to attend school. Homebound or hospitalized includes a
43 student who is unable to attend school for a period of less than three months
44 due to a pregnancy if a competent medical doctor, after an examination,

1 certifies that the student is unable to attend regular classes due to risk to
2 the pregnancy or to the student's health.

3 15. "K-3" means kindergarten programs and grades one through three.

4 16. "MD-R, A-R and SMR-R" means resource programs for pupils with
5 multiple disabilities, autism and severe mental retardation.

6 17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils
7 with multiple disabilities, autism and severe mental retardation.

8 18. "MDSSI" means a program for pupils with multiple disabilities with
9 severe sensory impairment.

10 19. "MOMR" means programs for pupils with moderate mental retardation.

11 20. "OI-R" means a resource program for pupils with orthopedic
12 impairments.

13 21. "OI-SC" means a self-contained program for pupils with orthopedic
14 impairments.

15 22. "PSD" means preschool programs for children with disabilities as
16 provided in section 15-771.

17 23. "P-SD" means programs for children who meet the definition of
18 preschool severe delay as provided in section 15-771.

19 24. "Qualifying tax rate" means the qualifying tax rate specified in
20 section 15-971 applied to the assessed valuation used for primary property
21 taxes.

22 25. "Small isolated school district" means a school district which
23 meets all of the following:

24 (a) Has a student count of fewer than six hundred in kindergarten
25 programs and grades one through eight or grades nine through twelve.

26 (b) Contains no school which is fewer than thirty miles by the most
27 reasonable route from another school, or, if road conditions and terrain make
28 the driving slow or hazardous, fifteen miles from another school which
29 teaches one or more of the same grades and is operated by another school
30 district in this state.

31 (c) Is designated as a small isolated school district by the
32 superintendent of public instruction.

33 26. "Small school district" means a school district which meets all of
34 the following:

35 (a) Has a student count of fewer than six hundred in kindergarten
36 programs and grades one through eight or grades nine through twelve.

37 (b) Contains at least one school which is fewer than thirty miles by
38 the most reasonable route from another school which teaches one or more of
39 the same grades and is operated by another school district in this state.

40 (c) Is designated as a small school district by the superintendent of
41 public instruction.

42 27. "Transportation revenue control limit" means the transportation
43 revenue control limit computed as prescribed in section 15-946.

44 28. "Transportation support level" means the support level for pupil
45 transportation operating expenses as provided in section 15-945.

1 29. "VI" means programs for pupils with visual impairments.

2 30. "Voc. Ed." means career and technical education and vocational
3 education programs, as defined in section 15-781.

4 Sec. 16. Repeal

5 Section 15-901, Arizona Revised Statutes, as amended by Laws 2010,
6 chapter 318, section 12, is repealed.

7 Sec. 17. Section 15-1021, Arizona Revised Statutes, as amended by Laws
8 2010, chapter 17, section 16, is amended to read:

9 15-1021. Limitation on bonded indebtedness; limitation on
10 authorization and issuance of bonds

11 A. Until December 31, 1999, a school district may issue class A bonds
12 for the purposes specified in this section and chapter 4, article 5 of this
13 title to an amount in the aggregate, including the existing indebtedness, not
14 exceeding fifteen per cent of the taxable property used for secondary
15 property tax purposes, as determined pursuant to title 42, chapter 15,
16 article 1, within a school district as ascertained by the last property tax
17 assessment previous to issuing the bonds.

18 B. From and after December 31, 1998, a school district may issue class
19 B bonds for the purposes specified in this section and chapter 4, article 5
20 of this title to an amount in the aggregate, including the existing class B
21 indebtedness, not exceeding five per cent of the taxable property used for
22 secondary property tax purposes, as determined pursuant to title 42, chapter
23 15, article 1, within a school district as ascertained by the last assessment
24 of state and county taxes previous to issuing the bonds, or one thousand five
25 hundred dollars per student ~~count as determined pursuant to section 15-902~~
26 AVERAGE DAILY MEMBERSHIP, whichever amount is greater. A school district
27 shall not issue class B bonds until the proceeds of any class A bonds issued
28 by the school district have been obligated in contract. The total amount of
29 class A and class B bonds issued by a school district shall not exceed the
30 debt limitations prescribed in article IX, section 8, Constitution of
31 Arizona.

32 C. Until December 31, 1999, a unified school district, as defined
33 under article IX, section 8.1, Constitution of Arizona, may issue class A
34 bonds for the purposes specified in this section and chapter 4, article 5 of
35 this title to an amount in the aggregate, including the existing
36 indebtedness, not exceeding thirty per cent of the taxable property used for
37 secondary property tax purposes, as determined pursuant to title 42, chapter
38 15, article 1, within a unified school district as ascertained by the last
39 property tax assessment previous to issuing the bonds.

40 D. From and after December 31, 1998, a unified school district, as
41 defined under article IX, section 8.1, Constitution of Arizona, may issue
42 class B bonds for the purposes specified in this section and chapter 4,
43 article 5 of this title to an amount in the aggregate, including the existing
44 class B indebtedness, not exceeding ten per cent of the taxable property used
45 for secondary tax purposes, as determined pursuant to title 42, chapter 15,

1 article 1, within a school district as ascertained by the last assessment of
2 state and county taxes previous to issuing the bonds, or one thousand five
3 hundred dollars per student ~~count as determined pursuant to section 15-902~~
4 **AVERAGE DAILY MEMBERSHIP**, whichever amount is greater. A unified school
5 district shall not issue class B bonds until the proceeds of any class A
6 bonds issued by the unified school district have been obligated in contract.
7 The total amount of class A and class B bonds issued by a unified school
8 district shall not exceed the debt limitations prescribed in article IX,
9 section 8.1, Constitution of Arizona.

10 E. No bonds authorized to be issued by an election held after July 1,
11 1980 and before November 24, 2009 may be issued more than six years after the
12 date of the election, except that class A bonds shall not be issued after
13 December 31, 1999. No bonds authorized to be issued by an election held
14 after November 24, 2009 may be issued more than ten years after the date of
15 the election.

16 F. Except as provided in section 15-491, subsection A, paragraph 3,
17 bond proceeds shall not be expended for items whose useful life is less than
18 the average life of the bonds issued, except that bond proceeds shall not be
19 expended for items whose useful life is less than five years.

20 G. A joint technical education district shall not spend class B bond
21 proceeds to construct or renovate a facility located on the campus of a
22 school in a school district that participates in the joint district unless
23 the facility is only used to provide career and technical education and is
24 available to all pupils who live within the joint technical education
25 district. If the facility is not owned by the joint technical education
26 district, an intergovernmental agreement or a written contract shall be
27 executed for ten years or the duration of the bonded indebtedness, whichever
28 is greater. The intergovernmental agreement or written contract shall
29 include provisions:

30 1. That preserve the usage of the facility renovated or constructed,
31 or both, only for career and technology programs operated by the joint
32 technical education district.

33 2. That include the process to be used by the participating district
34 to compensate the joint technical education district in the event that the
35 facility is no longer used only for career and technology education programs
36 offered by the joint technical education district during the life of the
37 bond.

38 H. A school district shall not authorize, issue or sell bonds pursuant
39 to this section if the school district has any existing indebtedness from
40 impact aid revenue bonds pursuant to chapter 16, article 8 of this title,
41 except for bonds issued to refund any bonds issued by the governing board.

42 Sec. 18. Repeal

43 Section 15-1021, Arizona Revised Statutes, as amended by Laws 2010,
44 chapter 318, section 19, is repealed.

1 Sec. 19. Section 15-1371, Arizona Revised Statutes, as amended by Laws
2 2010, chapter 306, section 14, is amended to read:

3 15-1371. Equalization assistance for state educational system
4 for committed youth; state education fund for
5 committed youth

6 A. The superintendent of the state educational system for committed
7 youth shall calculate a base support level as prescribed in section 15-943
8 and a capital outlay revenue limit as prescribed in section 15-961 for the
9 educational system established pursuant to section 41-2831, except that:

10 1. Notwithstanding section 15-901:

11 (a) The student count shall be determined using the following
12 definitions:

13 (i) "Daily attendance" means days in which a pupil attends an
14 educational program for a minimum of two hundred forty minutes not including
15 meal and recess periods. Attendance for one hundred twenty or more minutes
16 but fewer than two hundred forty minutes shall be counted as one-half day's
17 attendance.

18 (ii) "Fractional student" means a pupil enrolled in an educational
19 program of one hundred twenty or more minutes but fewer than two hundred
20 forty minutes a day not including meal and recess periods. A fractional
21 student shall be counted as one-half of a full-time student.

22 (iii) "Full-time student" means a pupil enrolled in an educational
23 program for a minimum of two hundred forty minutes a day not including meal
24 and recess periods.

25 (b) "Seriously emotionally disabled pupils enrolled in a school
26 district program as provided in section 15-765" includes seriously
27 emotionally disabled pupils enrolled in the department of juvenile
28 corrections school system.

29 2. All pupils shall be counted as if they were enrolled in grades nine
30 through twelve.

31 3. The teacher experience index is 1.00.

32 4. The base support level shall be calculated using the base level
33 multiplied by 1.0, except that the state educational system for committed
34 youth is also eligible beginning with fiscal year 1992-1993 for additional
35 teacher compensation monies as specified in section 15-952.

36 5. Section 15-943, paragraph 1 does not apply.

37 B. The superintendent may use sections 15-855 and 15-948 in making the
38 calculations prescribed in subsection A of this section, except that for the
39 1992-1993 fiscal year rapid decline shall not be used. The superintendent of
40 the system and the department of education shall prescribe procedures for
41 determining ~~average daily attendance and~~ average daily membership.

42 C. Equalization assistance for the state educational system for
43 committed youth for the budget year is determined by adding the amount of the
44 base support level and the capital outlay revenue limit for the budget year
45 calculated as prescribed in subsection A of this section.

1 D. The state educational system for committed youth shall not receive
2 twenty-five per cent of the equalization assistance unless it is accredited
3 by the north central association of colleges and secondary schools.

4 E. The state education fund for committed youth is established. Fund
5 monies shall be used for the purposes of the state educational system for
6 committed youth, and notwithstanding section 35-173, monies appropriated to
7 the fund shall not be transferred to or used for any program not within the
8 state educational system for committed youth. State equalization assistance
9 for the state educational system for committed youth as determined in
10 subsection A of this section, other state and federal monies received from
11 the department of education for the state educational system for committed
12 youth and monies appropriated for the state educational system for committed
13 youth, except monies appropriated pursuant to subsection F of this section,
14 shall be deposited in the fund. The state treasurer shall maintain separate
15 accounts for fund monies if the separate accounts are required by statute or
16 federal law.

17 F. The department of juvenile corrections may seek appropriations for
18 capital needs for land, buildings and improvements, including repairs and
19 maintenance, required to maintain the state educational system for committed
20 youth.

21 G. The state board of education shall apportion state aid and deposit
22 it, pursuant to sections 35-146 and 35-147, in the state education fund for
23 committed youth in an amount as determined by subsection A of this section.
24 The apportionments shall be as follows:

25 1. On July 1, one-third of the total amount to be apportioned during
26 the fiscal year.

27 2. On October 15, one-twelfth of the total amount to be apportioned
28 during the fiscal year.

29 3. On December 15, one-twelfth of the total amount to be apportioned
30 during the fiscal year.

31 4. On January 15, one-twelfth of the total amount to be apportioned
32 during the fiscal year.

33 5. On February 15, one-twelfth of the total amount to be apportioned
34 during the fiscal year.

35 6. On March 15, one-twelfth of the total amount to be apportioned
36 during the fiscal year.

37 7. On April 15, one-twelfth of the total amount to be apportioned
38 during the fiscal year.

39 8. On May 15, one-twelfth of the total amount to be apportioned during
40 the fiscal year.

41 9. On June 15, one-twelfth of the total amount to be apportioned
42 during the fiscal year.

43 H. In conjunction with the department of administration, the
44 superintendent of the state educational system for committed youth shall
45 establish procedures to account for the receipt and expenditure of state

1 education fund for committed youth monies by modifying the current accounting
2 system used for state agencies as necessary.

3 Sec. 20. Repeal

4 Section 15-1371, Arizona Revised Statutes, as amended by Laws 2010,
5 chapter 318, section 20, is repealed.

6 Sec. 21. Section 15-1372, Arizona Revised Statutes, as amended by Laws
7 2010, chapter 306, section 15, is amended to read:

8 15-1372. Equalization assistance for state educational system
9 for persons in the state department of corrections;
10 fund

11 A. The state department of corrections shall provide educational
12 services for pupils who are under the age of eighteen years and pupils with
13 disabilities who are age twenty-one or younger who are committed to the state
14 department of corrections. The department of education shall provide
15 technical assistance to the state department of corrections on request and
16 shall assist the state department of corrections in establishing program and
17 personnel standards.

18 B. The state education fund for correctional education is established.
19 Subject to legislative appropriation, fund monies shall be used for the
20 purposes of providing education to pupils as specified in subsection A of
21 this section. Notwithstanding section 35-173, monies appropriated to the
22 fund shall not be transferred to or used for any program not directly related
23 to the educational services required by this section. State equalization
24 assistance, other state and federal monies received from the department of
25 education for which the pupils in correctional education programs qualify and
26 monies appropriated for correctional education except monies appropriated
27 pursuant to subsection C of this section shall be deposited in the fund. The
28 state treasurer shall maintain separate accounts for fund monies if the
29 separate accounts are required by statute or federal law.

30 C. The state department of corrections may seek appropriations for
31 capital needs for land, buildings and improvements, including repairs and
32 maintenance, required to maintain the educational services required by this
33 section.

34 D. The state board of education shall apportion state aid and deposit
35 it, pursuant to sections 35-146 and 35-147, in the state education fund for
36 correctional education in an amount as determined by subsection E of this
37 section. The apportionments are as follows:

38 1. On July 1, one-third of the total amount to be apportioned during
39 the fiscal year.

40 2. On October 15, one-twelfth of the total amount to be apportioned
41 during the fiscal year.

42 3. On December 15, one-twelfth of the total amount to be apportioned
43 during the fiscal year.

44 4. On January 15, one-twelfth of the total amount to be apportioned
45 during the fiscal year.

1 5. On February 15, one-twelfth of the total amount to be apportioned
2 during the fiscal year.

3 6. On March 15, one-twelfth of the total amount to be apportioned
4 during the fiscal year.

5 7. On April 15, one-twelfth of the total amount to be apportioned
6 during the fiscal year.

7 8. On May 15, one-twelfth of the total amount to be apportioned during
8 the fiscal year.

9 9. On June 15, one-twelfth of the total amount to be apportioned
10 during the fiscal year.

11 E. The director of the state department of corrections shall calculate
12 a base support level as prescribed in section 15-943 and a capital outlay
13 revenue limit as prescribed in section 15-961 for the educational services
14 required by this section, except that:

15 1. Notwithstanding section 15-901, the student count shall be
16 determined using the following definitions:

17 (a) "Daily attendance" means days in which a pupil attends an
18 educational program for a minimum of one hundred eighty minutes not including
19 meal and recess periods. Attendance for ninety or more minutes but fewer
20 than one hundred eighty minutes shall be counted as one-half day's
21 attendance.

22 (b) "Fractional student" means a pupil enrolled in an educational
23 program of ninety or more minutes but fewer than one hundred eighty minutes
24 per day not including meal and recess periods. A fractional student shall be
25 counted as one-half of a full-time student.

26 (c) "Full-time student" means a pupil enrolled in an educational
27 program for a minimum of one hundred eighty minutes per day not including
28 meal and recess periods.

29 (d) "Pupil with a disability" has the same meaning as child with a
30 disability prescribed in section 15-761.

31 2. All pupils shall be counted as if they were enrolled in grades nine
32 through twelve.

33 3. The teacher experience index is 1.00.

34 4. The calculation for additional teacher compensation monies as
35 prescribed in section 15-952 is available.

36 5. Section 15-943, paragraph 1 does not apply.

37 6. The base support level and capital outlay amounts calculated
38 pursuant to this section shall be multiplied by 0.67.

39 7. The school year shall consist of a period of not less than two
40 hundred eight days.

41 F. The director of the state department of corrections may use
42 sections 15-855 and 15-948 in making the calculations prescribed in
43 subsection E of this section. The director of the state department of
44 corrections and the department of education shall prescribe procedures for
45 calculating ~~average daily attendance and~~ average daily membership.

1 G. Equalization assistance for correctional education programs
2 provided for those pupils specified in subsection A of this section is
3 determined by adding the amount of the base support level and the capital
4 outlay revenue limit for the budget year calculated as prescribed in
5 subsection E of this section.

6 H. The director of the state department of corrections shall keep
7 records and provide information as the department of education requires to
8 determine the appropriate amount of equalization assistance. Equalization
9 assistance shall be used to provide educational services in this section.

10 I. The department of education and the state department of corrections
11 shall enter into an intergovernmental agreement that establishes the
12 necessary accountability between the two departments regarding the
13 administrative and funding requirements contained in subsections A and B of
14 this section. The agreement shall:

15 1. Provide for appropriate education to all committed youths as
16 required by state and federal law.

17 2. Provide financial information to meet requirements for equalization
18 assistance.

19 3. Provide for appropriate pupil intake and assessment procedures.

20 4. Require pupil performance assessment and the reporting of results.

21 Sec. 22. Repeal

22 Section 15-1372, Arizona Revised Statutes, as amended by Laws 2010,
23 chapter 318, section 21, is repealed.

24 Sec. 23. Section 15-1682.03, Arizona Revised Statutes, as amended by
25 Laws 2010, seventh special session, chapter 12, section 8, is amended to
26 read:

27 15-1682.03. University capital improvement lease-to-own and
28 bond fund; lease-to-own and bond capital
29 improvement agreements

30 A. The university capital improvement lease-to-own and bond fund is
31 established consisting of the monies provided by the Arizona board of regents
32 pursuant to this section, monies deposited pursuant to section 5-522 and
33 monies appropriated by the legislature. The board shall administer the fund.
34 On notice from the board, the state treasurer shall invest and divest monies
35 in the fund as provided by section 35-313, and monies earned from investment
36 shall be credited to the fund. Monies in the fund are exempt from the
37 provisions of section 35-190 relating to lapsing of appropriations.

38 B. Through revenues of the state university system, the board shall
39 annually provide monies to the fund of at least twenty per cent of the
40 aggregate annual payments of lease-to-own and bond agreements entered into by
41 the board pursuant to this section.

42 C. The board shall distribute monies in the fund to make payments
43 pursuant to lease-to-own and bond agreements entered into by the board
44 pursuant to this section. The board may enter into lease-to-own and bond
45 agreements for the purposes of building renewal projects and new facilities.

1 New lease-to-own and bond agreements entered into pursuant to this section
2 shall not exceed one hundred sixty-seven million six hundred seventy-one
3 thousand two hundred dollars in fiscal year 2008-2009 and four hundred
4 million dollars in fiscal year 2009-2010. The board may enter into
5 lease-to-own and bond transactions up to a maximum of eight hundred million
6 dollars.

7 D. Notwithstanding section 5-522, subsection ~~F~~ G, the amount of state
8 lottery revenues distributed to the university capital improvement
9 lease-to-own and bond fund in fiscal year 2009-2010 and fiscal year 2010-2011
10 shall not exceed an amount sufficient for up to eighty per cent of the annual
11 payments of the first one hundred sixty-seven million six hundred seventy-one
12 thousand two hundred dollars of new lease-to-own and bond agreements entered
13 into pursuant to this section. The full amount of state lottery revenues
14 distributed to the university capital improvement lease-to-own and bond fund
15 pursuant to section 5-522, subsection ~~F~~ G shall be made available to the
16 board for the remaining new lease-to-own and bond agreements up to eight
17 hundred million dollars beginning in fiscal year 2011-2012.

18 E. In entering into lease-to-own and bond agreements pursuant to this
19 section, the board shall not obligate this state to provide any additional
20 monies from the state lottery fund above the amounts authorized in this
21 section and section 5-522, subsection ~~F~~ G. In entering into lease-to-own
22 and bond agreements pursuant to this section, the board shall not obligate
23 any state general fund monies.

24 Sec. 24. Repeal

25 Section 15-1682.03, Arizona Revised Statutes, as amended by Laws 2011,
26 second special session, chapter 1, section 9, is repealed.

27 Sec. 25. Section 15-1782, Arizona Revised Statutes, as amended by Laws
28 2010, chapter 257, section 1, is amended to read:

29 15-1782. Mathematics, science, special education and elementary
30 education teacher student loans: requirements:
31 report

32 A. The ~~board~~ COMMISSION may grant loans from the mathematics, science
33 and special education teacher student loan fund established by section
34 15-1784 to defray ~~in-state~~ tuition, instructional materials and mandatory
35 fees of the education of students who are pursuing a teaching degree at a
36 ~~university under the jurisdiction of the board~~ QUALIFYING POSTSECONDARY
37 INSTITUTION and who are deemed qualified by the ~~board~~ COMMISSION to receive
38 these loans. Loans shall be granted on such terms and conditions as may be
39 imposed by the ~~board~~ COMMISSION and shall be distributed on a first come,
40 first served basis.

41 B. The ~~board~~ COMMISSION shall grant loans to qualified applicants who
42 ~~are classified as in-state students for tuition purposes pursuant to section~~
43 ~~15-1802 and who~~ agree to provide instruction in the area of mathematics,
44 science or special education in a public school in this state or in
45 elementary education in a public school that is located in a geographic area

1 in this state that is experiencing a shortage of teachers, as determined by
2 the state board of education. The board shall allocate no more than
3 twenty-five per cent of the annual amount appropriated for loans to
4 applicants who agree to provide instruction in elementary education.

5 C. The loans granted by the ~~board~~ COMMISSION shall be ~~sufficient to~~
6 ~~fully~~ USED TO cover the costs of ~~resident~~ tuition and mandatory fees for each
7 loan recipient and may also defray the cost of instructional materials, BUT
8 SHALL NOT EXCEED SEVEN THOUSAND DOLLARS EACH YEAR, EXCLUDING ALL GRANTS,
9 SCHOLARSHIPS AND TUITION BENEFITS SUCH AS MILITARY, TRIBAL AND EMPLOYEE
10 GRANTS, SCHOLARSHIPS AND BENEFITS. ~~If an applicant qualifies for federal~~
11 ~~financial aid and receives federal grant aid, the loan amount shall be~~
12 ~~limited to the amount of tuition and mandatory fees not covered by the~~
13 ~~federal grant aid and may include a stipend for instructional materials.~~

14 D. The ~~board~~ COMMISSION shall adopt policies for screening qualified
15 applicants based on ability, ~~character~~ and financial need, INCLUDING
16 REQUIRING ALL APPLICANTS TO COMPLETE A FREE APPLICATION FOR STUDENT FEDERAL
17 AID.

18 E. The ~~board~~ COMMISSION shall grant loans on the terms and conditions
19 the ~~board~~ COMMISSION imposes. The ~~board~~ COMMISSION shall establish
20 procedures for the timely repayment of loans plus interest at a rate
21 determined by the ~~board~~ COMMISSION. The ~~board~~ COMMISSION is responsible for
22 the collection of ~~loans that are in default~~ LOAN REPAYMENTS.

23 F. The ~~board~~ COMMISSION may ~~delegate authority to administer the loans~~
24 ~~pursuant to this article to an institution under the jurisdiction of the~~
25 ~~board~~ PARTNER WITH QUALIFYING POSTSECONDARY INSTITUTIONS TO ADMINISTER THESE
26 LOANS. ~~If the board delegates authority, students pursuing a teaching degree~~
27 ~~at each institution under the jurisdiction of the board shall be equally~~
28 ~~eligible to participate.~~ The ~~board~~ COMMISSION shall ~~retain responsibility of~~
29 ~~making~~ PROVIDE initial public notice of the availability of the loans and
30 collect the application forms directly from each qualified applicant. The
31 ~~board~~ COMMISSION shall forward ~~the applications to the institution selected~~
32 ~~to administer the loans~~ A REQUEST FOR VERIFICATION OF ATTENDANCE,
33 SATISFACTORY ACADEMIC PROGRESS, FINANCIAL NEED AND ENROLLMENT IN A QUALIFIED
34 PROGRAM TO THE INSTITUTION.

35 G. On or before December 1 of each year, the ~~Arizona board of regents~~
36 COMMISSION shall submit an approved report to the governor, the speaker of
37 the house of representatives, the president of the senate and the joint
38 legislative budget committee. The ~~board~~ COMMISSION shall provide a copy of
39 this report to the secretary of state ~~and the director of the Arizona state~~
40 ~~library, archives and public records.~~ The report shall include the number of
41 applicants, the number of loan recipients, the ~~university~~ QUALIFYING
42 POSTSECONDARY INSTITUTION each loan recipient attends, the name of the school
43 at which each loan recipient is employed, the number of good cause repayment
44 exceptions granted by the ~~board~~ COMMISSION, the reason for each good cause
45 exception granted and teacher retention data. The ~~board~~ COMMISSION shall

1 collect and maintain data on the retention of mathematics, science and
2 special education teachers who received loans pursuant to this article. The
3 ~~board~~ COMMISSION shall collect this data for at least five years after each
4 loan recipient completes the recipient's service commitment.

5 Sec. 26. Repeal

6 Section 15-1782, Arizona Revised Statutes, as amended by Laws 2010,
7 chapter 332, section 21, is repealed.

8 Sec. 27. Section 15-1783, Arizona Revised Statutes, as amended by Laws
9 2010, chapter 257, section 2, is amended to read:

10 15-1783. Mathematics, science, special education and elementary
11 education teacher student loans; interest;
12 obligations; repayment; authority of attorney
13 general

14 A. Each applicant who is approved for a loan by the ~~board~~ COMMISSION
15 may be granted a loan for a period of up to five years.

16 B. The ~~board~~ COMMISSION, on behalf of this state, shall enter into a
17 written contract with the QUALIFIED student. The contract shall set forth
18 the methods and terms of repayment by the loan recipient to this state and
19 shall be on terms and conditions and in a form provided by the ~~board~~
20 COMMISSION. The contract shall provide for the following:

21 1. The loan recipient shall begin the service commitment providing
22 instruction in the area of mathematics, science or special education in a
23 public school in this state or in elementary education in a public school
24 that is located in a geographic area in this state that is experiencing a
25 shortage of teachers, as determined by the state board of education, within
26 one calendar year after attaining a bachelor's degree at ~~an accredited~~
27 ~~university in this state~~ A QUALIFYING POSTSECONDARY INSTITUTION. The service
28 commitment shall be full-time as determined by the ~~Arizona board of regents~~
29 COMMISSION and requires one year of service for each year of loan support
30 plus one additional year of service.

31 2. If the loan recipient engages in postgraduate studies without a
32 lapse of more than one calendar year following the completion of the loan
33 recipient's bachelor's degree at ~~an accredited university in this state~~ A
34 QUALIFYING POSTSECONDARY INSTITUTION, the loan recipient shall begin the
35 service commitment required under paragraph 1 within one calendar year after
36 completing postgraduate studies.

37 3. If the loan recipient is inducted into military service, or for any
38 other cause beyond the loan recipient's control deemed sufficient by the
39 ~~board~~ COMMISSION is unable to begin the service commitment required under
40 paragraph 1 within one calendar year after completing a bachelor's degree and
41 any graduate studies, the loan recipient shall begin the service commitment
42 required under paragraph 1 within one calendar year after completing the
43 required military service or the termination of any other cause.

44 4. If the loan recipient fulfills the service commitment required
45 under paragraph 1 in a public school in this state or while completing

1 military service resulting from induction, the loan recipient's indebtedness
2 to this state may be discharged in one of the following ways:

3 (a) One year of full-time service required under paragraph 1 for each
4 year of loan support plus one additional year of service.

5 (b) Repayment to this state of the total loan amount for each year of
6 support with interest at the rate prescribed in subsection C.

7 5. If the loan recipient fails to complete the required course of
8 study, if the course of study is interrupted by one academic year or more for
9 a cause or causes not resulting from induction into military service or any
10 other cause beyond the loan recipient's control deemed sufficient by the
11 ~~board~~ COMMISSION or if the loan recipient fails to fully discharge the
12 service commitment required under paragraph 1, except for delays resulting
13 from an excusable cause as prescribed in this section, the amount of the loan
14 not repaid or fully discharged shall be due and payable with interest at the
15 rate prescribed in subsection C. The ~~board~~ COMMISSION may extend the time of
16 payment over a period not exceeding fifteen years and shall not require
17 payment of interest during the existence of any excusable cause as prescribed
18 in this section.

19 6. If the loan recipient does not begin the service commitment
20 required under paragraph 1 within the time prescribed in this section but
21 paid an agreed part of the loan, the ~~board~~ COMMISSION may allow the loan
22 recipient to discharge the balance of the obligation by subsequent teaching
23 in this state.

24 7. If the loan recipient dies during the period of the loan
25 recipient's education or practice as a teacher, the loan recipient's
26 obligation to this state under this article ceases.

27 8. The loan recipient may choose at any time to provide a different
28 category of service commitment prescribed in paragraph 1 without violating
29 the contract, unless the contract requires the loan recipient to provide
30 instruction in the area of mathematics or science.

31 9. If the loan recipient begins the service commitment required under
32 paragraph 1 in a geographic area in this state that is experiencing a
33 shortage of teachers, as determined by the state board of education, but the
34 state board of education subsequently determines that geographic area is no
35 longer experiencing a shortage of teachers, the loan recipient may discharge
36 the balance of the obligation by completing the service commitment in the
37 geographic area where the loan recipient began the service commitment.

38 C. The loan recipient shall repay the full amount borrowed at an
39 interest rate of at least seven per cent.

40 D. On receipt of supporting documentation, the ~~board~~ COMMISSION for
41 good cause shown may defer the loan recipient's service commitment or
42 repayment obligation or may enter into repayment arrangements with the loan
43 recipient or allow service that is equivalent to full-time service if the
44 ~~board~~ COMMISSION determines that this action is justified after a review of
45 the individual's circumstances. At the discretion of the ~~board~~ COMMISSION,

1 the ~~board~~ COMMISSION may allow service by teaching in another area of
2 recognized need in this state that is not specified in the QUALIFIED
3 student's contract, but only following prior written approval by the ~~board~~
4 COMMISSION.

5 E. The attorney general may commence whatever actions are necessary to
6 enforce the contract and achieve repayment of loans provided by the ~~board~~
7 COMMISSION pursuant to this article.

8 Sec. 28. Repeal

9 Section 15-1783, Arizona Revised Statutes, as amended by Laws 2010,
10 chapter 332, section 22, is repealed.

11 Sec. 29. Section 26-263, Arizona Revised Statutes, as amended by Laws
12 2010, chapter 208, section 4, is amended to read:

13 26-263. Appropriations; purposes; exemption

14 A. The sum of \$90,000 and 1 FTE is appropriated from the state general
15 fund in fiscal years 2004-2005 and 2005-2006 and each year thereafter to the
16 department of emergency and military affairs.

17 B. The sum of \$85,000 is appropriated from the state general fund in
18 fiscal years 2004-2005 and 2005-2006 and each year thereafter to the attorney
19 general's office for implementation of ~~sections~~ SECTION 9-461.06, ~~11-806,~~
20 ~~11-824~~ TITLE 11, CHAPTER 6, ARTICLE 1 and SECTION 28-8481.

21 C. For fiscal years 2004-2005 and 2005-2006 and each year thereafter,
22 the sum of \$4,825,000 is appropriated from the state general fund to the
23 military installation fund established by, and for the purposes prescribed
24 by, section 26-262.

25 D. The appropriations made in this section are exempt from the
26 provisions of section 35-190 relating to lapsing of appropriations.

27 Sec. 30. Repeal

28 Section 26-263, Arizona Revised Statutes, as amended by Laws 2010,
29 chapter 244, section 30, is repealed.

30 Sec. 31. Section 32-2183, Arizona Revised Statutes, as amended by Laws
31 2010, chapter 144, section 2, is amended to read:

32 32-2183. Subdivision public reports; denial of issuance;
33 unlawful sales; voidable sale or lease; order
34 prohibiting sale or lease; investigations; hearings;
35 summary orders

36 A. Upon examination of a subdivision, the commissioner, unless there
37 are grounds for denial, shall issue to the subdivider a public report
38 authorizing the sale or lease in this state of the lots, parcels or
39 fractional interests within the subdivision. The report shall contain the
40 data obtained in accordance with section 32-2181 and any other information
41 which the commissioner determines is necessary to implement the purposes of
42 this article. If any of the lots, parcels or fractional interests within the
43 subdivision are located within territory in the vicinity of a military
44 airport or ancillary military facility as defined in section 28-8461, under a
45 military training route as delineated in the military training route map

1 prepared pursuant to section 37-102, under restricted air space as delineated
2 in the restricted air space map prepared pursuant to section 37-102 or
3 contained in the military electronics range as delineated in the military
4 electronics range map prepared pursuant to section 37-102, the report shall
5 include, in bold twelve point font block letters on the first page of the
6 report, the statements required pursuant to section 28-8484, subsection A,
7 section 32-2183.05 or section 32-2183.06 and, if the department has been
8 provided a map prepared pursuant to section 28-8484, subsection B or section
9 37-102, the report shall include a copy of the map. The military airport
10 report requirements do not require the amendment or reissuance of any public
11 report issued on or before December 31, 2001 or on or before December 31 of
12 the year in which the lots, parcels or fractional interests within a
13 subdivision become territory in the vicinity of a military airport or
14 ancillary military facility. The military training route report requirements
15 do not require the amendment or reissuance of any public report issued on or
16 before December 31, 2004. The restricted air space report requirements do
17 not require the amendment or reissuance of any public report issued on or
18 before December 31, 2006. The military electronics range report requirements
19 do not require the amendment or reissuance of any public report issued on or
20 before December 31, 2008. The commissioner shall require the subdivider to
21 reproduce the report, make the report available to each prospective customer
22 and furnish each buyer or lessee with a copy before the buyer or lessee signs
23 any offer to purchase or lease, taking a receipt therefor.

24 B. This section shall not be construed to require a public report
25 issued sixty or fewer days prior to the filing of the military electronics
26 range map prepared pursuant to section 37-102 to meet the military
27 electronics range notification requirements of this section.

28 C. A public report issued sixty-one or more days after the filing of
29 the military electronics range map prepared pursuant to section 37-102 shall
30 meet all of the requirements of subsection A of this section.

31 D. Notwithstanding subsection A of this section, a subdivider may
32 elect to prepare a final public report for use in the sale of improved lots
33 as defined in section 32-2101, as follows:

34 1. The subdivider shall prepare the public report and provide a copy
35 of the report to the commissioner with the submission of the notification
36 required by sections 32-2181 and 32-2184 and shall comply with all other
37 requirements of this article.

38 2. An initial filing fee of five hundred dollars or an amended filing
39 fee of two hundred fifty dollars shall accompany the notification required by
40 paragraph 1 of this subsection.

41 3. The department shall assign a registration number to each
42 notification and public report submitted pursuant to this subsection and
43 shall maintain a database of all of these submissions. The subdivider shall
44 place the number on each public report.

1 4. On receipt of the notification and public report, the department
2 shall review and issue within ten business days either a certification that
3 the notification and public report are administratively complete or a denial
4 letter if it appears that the application or project is not in compliance
5 with all legal requirements, that the applicant has a background of
6 violations of state or federal law or that the applicant or project presents
7 an unnecessary risk of harm to the public. If the commissioner has received
8 the notification and public report but has not issued a certification or a
9 denial letter within ten business days pursuant to this paragraph, the
10 notification and public report are administratively complete.

11 5. A subdivider may commence sales or leasing activities as permitted
12 under this article after obtaining a certificate of administrative
13 completeness from the commissioner.

14 6. Before or after the commissioner issues a certificate of
15 administrative completeness or, if applicable, after the notification and
16 public report are deemed to be administratively complete pursuant to
17 paragraph 4 of this subsection, the department may examine any public report,
18 subdivision or applicant that has applied for or received the certificate.
19 If the commissioner determines that the subdivider or subdivision is not in
20 compliance with any requirement of state law or that grounds exist under this
21 chapter to suspend, deny or revoke a public report, the commissioner may
22 commence an administrative action under section 32-2154 or 32-2157. If the
23 subdivider immediately corrects the deficiency and comes into full compliance
24 with state law, the commissioner shall vacate any action that the
25 commissioner may have commenced pursuant to section 32-2154 or 32-2157.

26 7. The department shall provide forms and guidelines for the
27 submission of the notification and public report pursuant to this section.

28 E. The commissioner may suspend, revoke or deny issuance of a public
29 report on any of the following grounds:

30 1. Failure to comply with this article or the rules of the
31 commissioner pertaining to this article.

32 2. The sale or lease would constitute misrepresentation to or deceit
33 or fraud of the purchasers or lessees.

34 3. Inability to deliver title or other interest contracted for.

35 4. Inability to demonstrate that adequate financial or other
36 arrangements acceptable to the commissioner have been made for completion of
37 all streets, sewers, electric, gas and water utilities, drainage and flood
38 control facilities, community and recreational facilities and other
39 improvements included in the offering.

40 5. Failure to make a showing that the lots, parcels or fractional
41 interests can be used for the purpose for which they are offered.

42 6. The owner, agent, subdivider, officer, director or partner,
43 subdivider trust beneficiary holding ten per cent or more direct or indirect
44 beneficial interest or, if a corporation, any stockholder owning ten per cent
45 or more of the stock in the corporation has:

- 1 (a) Been convicted of a felony or misdemeanor involving fraud or
2 dishonesty or involving conduct of any business or a transaction in real
3 estate, cemetery property, time-share intervals or membership camping
4 campgrounds or contracts.
- 5 (b) Been permanently or temporarily enjoined by order, judgment or
6 decree from engaging in or continuing any conduct or practice in connection
7 with the sale or purchase of real estate or cemetery property, time-share
8 intervals, membership camping contracts or campgrounds, or securities or
9 involving consumer fraud or the racketeering laws of this state.
- 10 (c) Had an administrative order entered against him by a real estate
11 regulatory agency or security regulatory agency.
- 12 (d) Had an adverse decision or judgment entered against him involving
13 fraud or dishonesty or involving the conduct of any business or transaction
14 in real estate, cemetery property, time-share intervals or membership camping
15 campgrounds or contracts.
- 16 (e) Disregarded or violated this chapter or the rules of the
17 commissioner pertaining to this chapter.
- 18 (f) Controlled an entity to which subdivision (b), (c), (d) or (e)
19 applies.
- 20 7. Procurement or an attempt to procure a public report by fraud,
21 misrepresentation or deceit or by filing an application for a public report
22 that is materially false or misleading.
- 23 8. Failure of the declaration for a condominium created pursuant to
24 title 33, chapter 9, article 2 to comply with the requirements of section
25 33-1215 or failure of the plat for the condominium to comply with the
26 requirements of section 33-1219. The commissioner may require an applicant
27 for a public report to submit a notarized statement signed by the subdivider
28 or an engineer or attorney licensed to practice in this state certifying that
29 the condominium plat and declaration of condominium are in compliance with
30 the requirements of sections 33-1215 and 33-1219. If the notarized statement
31 is provided, the commissioner is entitled to rely on this statement.
- 32 9. Failure of any blanket encumbrance or valid supplementary agreement
33 executed by the holder of the blanket encumbrance to contain provisions that
34 enable the purchaser to acquire title to a lot or parcel free of the lien of
35 the blanket encumbrance, on completion of all payments and performance of all
36 of the terms and provisions required to be made or performed by the purchaser
37 under the real estate sales contract by which the purchaser has acquired the
38 lot or parcel. The subdivider shall file copies of documents acceptable to
39 the commissioner containing these provisions with the commissioner before the
40 sale of any subdivision lot or parcel subject to a blanket encumbrance.
- 41 10. Failure to demonstrate permanent access to the subdivision lots or
42 parcels.
- 43 11. The use of the lots presents an unreasonable health risk.

1 F. It is unlawful for a subdivider to sell any lot in a subdivision
2 unless one of the following occurs:

3 1. All proposed or promised subdivision improvements are completed.

4 2. The completion of all proposed or promised subdivision improvements
5 is assured by financial arrangements acceptable to the commissioner. The
6 financial arrangements may be made in phases for common community and
7 recreation facilities required by a municipality or county as a stipulation
8 for approval of a plan for a master planned community.

9 3. The municipal or county government agrees to prohibit occupancy and
10 the subdivider agrees not to close escrow for lots in the subdivision until
11 all proposed or promised subdivision improvements are completed.

12 4. The municipal or county government enters into an assurance
13 agreement with any trustee not to convey lots until improvements are
14 completed within the portion of the subdivision containing these lots, if the
15 improvements can be used and maintained separately from the improvements
16 required for the entire subdivision plat. The agreement shall be recorded in
17 the county in which the subdivision is located.

18 G. If the subdivision is within an active management area, as defined
19 in section 45-402, the commissioner shall deny issuance of a public report or
20 the use of any exemption pursuant to section 32-2181.02, subsection B unless
21 the subdivider has been issued a certificate of assured water supply by the
22 director of water resources and has paid all applicable fees pursuant to
23 sections 48-3772 and 48-3774.01, or unless the subdivider has obtained a
24 written commitment of water service for the subdivision from a city, town or
25 private water company designated as having an assured water supply by the
26 director of water resources pursuant to section 45-576 or is exempt from the
27 requirement pursuant to section 45-576.

28 H. In areas outside of active management areas, if the subdivision is
29 located in a county that has adopted the provision authorized by section
30 ~~11-806.01, subsection F~~ 11-823, SUBSECTION A or in a city or town that has
31 enacted an ordinance pursuant to section 9-463.01, subsection 0, the
32 commissioner shall deny issuance of a public report or the use of any
33 exemption pursuant to section 32-2181.02, subsection B unless one of the
34 following applies:

35 1. The director of water resources has reported pursuant to section
36 45-108 that the subdivision has an adequate water supply.

37 2. The subdivider has obtained a written commitment of water service
38 for the subdivision from a city, town or private water company designated as
39 having an adequate water supply by the director of water resources pursuant
40 to section 45-108.

41 3. The plat was approved pursuant to an exemption authorized by
42 section 9-463.01, subsection K, pursuant to an exemption authorized by
43 section ~~11-806.01, subsection G~~ 11-823, SUBSECTION B, paragraph 1, pursuant
44 to an exemption granted by the director of water resources under section

1 45-108.02 and the exemption has not expired or pursuant to an exemption
2 granted by the director of water resources under section 45-108.03.

3 4. The subdivision received final plat approval from the city, town or
4 county before the requirement for an adequate water supply became effective
5 in the city, town or county, and there have been no material changes to the
6 plat since the final plat approval. If changes were made to the plat after
7 the final plat approval, the director of water resources shall determine
8 whether the changes are material pursuant to the rules adopted by the
9 director to implement section 45-108.

10 I. A subdivider shall not sell or lease or offer for sale or lease in
11 this state any lots, parcels or fractional interests in a subdivision without
12 first obtaining a public report from the commissioner except as provided in
13 section 32-2181.01 or 32-2181.02. Unless exempt, the sale or lease of
14 subdivided lands prior to issuance of the public report or failure to deliver
15 the public report to the purchaser or lessee shall render the sale or lease
16 rescindable by the purchaser or lessee. An action by the purchaser or lessee
17 to rescind the transaction shall be brought within three years of the date of
18 execution of the purchase or lease agreement by the purchaser or lessee. In
19 any rescission action, the prevailing party is entitled to reasonable
20 attorney fees as determined by the court.

21 J. On a print advertisement in a magazine or newspaper or on an
22 internet advertisement that advertises a specific lot or parcel of a
23 subdivider, the subdivider shall include a disclosure stating that "a public
24 report is available on the state real estate department's website".

25 K. Any applicant objecting to the denial of a public report, within
26 thirty days after receipt of the order of denial, may file a written request
27 for a hearing. The commissioner shall hold the hearing within twenty days
28 after receipt of the request for a hearing unless the party requesting the
29 hearing has requested a postponement. If the hearing is not held within
30 twenty days after a request for a hearing is received, plus the period of any
31 postponement, or if a proposed decision is not rendered within forty-five
32 days after submission, the order of denial shall be rescinded and a public
33 report issued.

34 L. On the commissioner's own motion, or when the commissioner has
35 received a complaint and has satisfactory evidence that the subdivider or the
36 subdivider's agent is violating this article or the rules of the commissioner
37 or has engaged in any unlawful practice as defined in section 44-1522 with
38 respect to the sale of subdivided lands or deviated from the provisions of
39 the public report, the commissioner may investigate the subdivision project
40 and examine the books and records of the subdivider. For the purpose of
41 examination, the subdivider shall keep and maintain records of all sales
42 transactions and funds received by the subdivider pursuant to the sales
43 transactions and shall make them accessible to the commissioner upon
44 reasonable notice and demand.

1 M. On the commissioner's own motion, or when the commissioner has
2 received a complaint and has satisfactory evidence that any person has
3 violated this article or the rules of the commissioner or has engaged in any
4 unlawful practice as defined in section 44-1522 with respect to the sale of
5 subdivided lands or deviated from the provisions of the public report or
6 special order of exemption, or has been indicted for fraud or against whom an
7 information for fraud has been filed or has been convicted of a felony,
8 before or after the commissioner issues the public report as provided in
9 subsection A of this section, the commissioner may conduct an investigation
10 of the matter, issue a summary order as provided in section 32-2157, or hold
11 a public hearing and, after the hearing, may issue the order or orders the
12 commissioner deems necessary to protect the public interest and ensure
13 compliance with the law, rules or public report or the commissioner may bring
14 action in any court of competent jurisdiction against the person to enjoin
15 the person from continuing the violation or engaging in or doing any act or
16 acts in furtherance of the violation. The court may make orders or
17 judgments, including the appointment of a receiver, necessary to prevent the
18 use or employment by a person of any unlawful practices, or which may be
19 necessary to restore to any person in interest any monies or property, real
20 or personal, that may have been acquired by means of any practice in this
21 article declared to be unlawful.

22 N. When it appears to the commissioner that a person has engaged in or
23 is engaging in a practice declared to be unlawful by this article and that
24 the person is concealing assets or self or has made arrangements to conceal
25 assets or is about to leave the state, the commissioner may apply to the
26 superior court, ex parte, for an order appointing a receiver of the assets of
27 the person or for a writ of ne exeat, or both.

28 O. The court, on receipt of an application for the appointment of a
29 receiver or for a writ of ne exeat, or both, shall examine the verified
30 application of the commissioner and other evidence that the commissioner may
31 present the court. If satisfied that the interests of the public require the
32 appointment of a receiver or the issuance of a writ of ne exeat without
33 notice, the court shall issue an order appointing the receiver or issue the
34 writ, or both. If the court determines that the interests of the public will
35 not be harmed by the giving of notice, the court shall set a time for a
36 hearing and require notice be given as the court deems satisfactory.

37 P. If the court appoints a receiver without notice, the court shall
38 further direct that a copy of the order appointing a receiver be served on
39 the person engaged in or engaging in a practice declared to be unlawful under
40 this article by delivering the order to the last address of the person that
41 is on file with the state real estate department. The order shall inform the
42 person that the person has the right to request a hearing within ten days of
43 the date of the order and, if requested, the hearing shall be held within
44 thirty days from the date of the order.

1 Sec. 32. Repeal
2 Section 32-2183, Arizona Revised Statutes, as amended by Laws 2010,
3 chapter 244, section 19, is repealed.

4 Sec. 33. Repeal
5 Section 34-201, Arizona Revised Statutes, as amended by Laws 2010,
6 chapter 117, section 12, is repealed.

7 Sec. 34. Section 37-132, Arizona Revised Statutes, as amended by Laws
8 2010, chapter 243, section 6, is amended to read:

9 37-132. Powers and duties

10 A. The commissioner shall:

11 1. Exercise and perform all powers and duties vested in or imposed
12 upon the department, and prescribe such rules as are necessary to discharge
13 those duties.

14 2. Exercise the powers of surveyor-general except for the powers of
15 the surveyor-general exercised by the treasurer as a member of the selection
16 board pursuant to section 37-202.

17 3. Make long-range plans for the future use of state lands in
18 cooperation with other state agencies, local planning authorities and
19 political subdivisions.

20 4. Promote the infill and orderly development of state lands in areas
21 beneficial to the trust and prevent urban sprawl or leapfrog development on
22 state lands.

23 5. Classify and appraise all state lands, together with the
24 improvements on state lands, for the purpose of sale, lease or grant of
25 rights-of-way. The commissioner may impose such conditions and covenants and
26 make such reservations in the sale of state lands as the commissioner deems
27 to be in the best interest of the state trust. The provisions of this
28 paragraph are subject to hearing procedures pursuant to title 41, chapter 6,
29 article 10 and, except as provided in section 41-1092.08, subsection H, are
30 subject to judicial review pursuant to title 12, chapter 7, article 6.

31 6. Have authority to lease for grazing, agricultural, homesite or
32 other purposes, except commercial, all land owned or held in trust by the
33 state.

34 7. Have authority to lease for commercial purposes and sell all land
35 owned or held in trust by the state, but any such lease for commercial
36 purposes or any such sale shall first be approved by the board of appeals.

37 8. Except as otherwise provided, determine all disputes, grievances or
38 other questions pertaining to the administration of state lands.

39 9. Appoint deputies and other assistants and employees necessary to
40 perform the duties of the department, assign their duties, ~~and~~ and require of
41 them such surety bonds as the commissioner deems proper. The compensation of
42 the deputy, assistants or employees shall be as determined pursuant to
43 section 38-611.

44 10. Make a written report to the governor annually, not later than
45 September 1, disclosing in detail the activities of the department for the

1 preceding fiscal year, and publish it for distribution. The report shall
2 include an evaluation of auctions of state land leases held during the
3 preceding fiscal year considering the advantages and disadvantages to the
4 state trust of the existence and exercise of preferred rights to lease
5 reclassified state land.

6 11. Withdraw state land from surface or subsurface sales or lease
7 applications if the commissioner deems it to be in the best interest of the
8 trust. This closure of state lands to new applications for sale or lease
9 does not affect the rights ~~which~~ THAT existing lessees have under law for
10 renewal of their leases and reimbursement for improvements.

11 B. The commissioner may:

12 1. Take evidence relating to, and may require of the various county
13 officers information on, any matter that the commissioner has the power to
14 investigate or determine.

15 2. Under such rules as the commissioner adopts, use private real
16 estate brokers to assist in any sale or long-term lease of state land and
17 pay, from fees collected under section 37-107, subsection B, paragraph 1, a
18 commission to a broker that is licensed pursuant to title 32, chapter 20 and
19 that provides the purchaser or lessee at auction. The purchaser or lessee at
20 auction is not eligible to receive a commission pursuant to this subsection.
21 A commission shall not be paid on a sale or a long-term lease if the
22 purchaser or lessee is a political subdivision of this state.

23 3. Require a permittee, lessee or grantee to post a surety bond or any
24 form of collateral deemed sufficient by the commissioner for performance or
25 restoration purposes. The commissioner shall use the proceeds of a bond or
26 collateral only for the purposes determined at the time the bond or
27 collateral is posted. For agricultural lessees, the commissioner may require
28 collateral as follows:

29 (a) As security for payment of the annual assessments levied by the
30 irrigation district in which the state land is located if the lessee has a
31 history of late payments or defaults. The amount of the collateral required
32 shall not exceed the annual assessment levied by the irrigation district.

33 (b) As security for payment of rent, if an extension of time for
34 payment is requested or if the lessee has a history of late payments of rent.
35 The collateral shall be submitted at the time any extension of time for
36 payment is requested. The amount of the collateral required shall not exceed
37 the annual amount of rent for the land.

38 (c) A surety bond shall be required only if the commissioner
39 determines that other forms of collateral are insufficient.

40 4. Withhold market and economic analyses, preliminary engineering,
41 site and area studies and appraisals that are collected during the urban
42 planning process from public viewing before they are submitted to local
43 planning and zoning authorities.

44 5. Withhold from public inspection proprietary information received
45 during lease negotiations. The proprietary information shall be released to

1 public inspection unless the release may harm the competitive position of the
2 applicant and the information could not have been obtained by other
3 legitimate means.

4 6. Issue permits for short-term use of state land for specific
5 purposes as prescribed by rule.

6 7. Contract with a third party to sell recreational permits. A third
7 party under contract pursuant to this paragraph may assess a surcharge for
8 its services as provided in the contract, in addition to the fees prescribed
9 pursuant to section 37-107.

10 8. Close urban lands to specific uses as prescribed by rule if
11 necessary for dust abatement, to reduce a risk from hazardous environmental
12 conditions that pose a risk to human health or safety or for remediation
13 purposes.

14 9. Notwithstanding subsection A, paragraph 4 of this section,
15 authorize, in the best interest of the trust, the extension of public
16 services and facilities either:

17 (a) That are necessary to implement plans of the local governing body,
18 including plans adopted or amended pursuant to section 9-461.06 or ~~11-824~~
19 [11-805](#).

20 (b) Across state lands that are either:

21 (i) Classified as suitable for conservation pursuant to section
22 37-312.

23 (ii) Sold or leased at auction for conservation purposes.

24 C. The commissioner or any deputy or employee of the department shall
25 not have, own or acquire, directly or indirectly, any state lands or the
26 products on any state lands, any interest in or to such lands or products, or
27 improvements on leased state lands, or be interested in any state irrigation
28 project affecting state lands.

29 Sec. 35. [Repeal](#)

30 Section 37-132, Arizona Revised Statutes, as amended by Laws 2010,
31 chapter 244, section 27, is repealed.

32 Sec. 36. [Retroactive application](#)

33 Sections 4, 5, 6, 7, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22,
34 23, 24, 25, 26, 27 and 28 apply retroactively to from and after June 30,
35 2011.

36 Sec. 37. [Effective date](#)

37 A. Sections 8 and 9 of this act are effective from and after August
38 31, 2011.

39 B. Sections 2, 3, 29, 30, 31, 32, 34 and 35 of this act are effective
40 from and after September 30, 2011.