State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 360

HOUSE BILL 2622

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-114; AMENDING SECTIONS 15-236, 15-802, 15-1182, 15-2401, 15-2402 AND 15-2403, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION; RELATING TO THE DEPARTMENT OF EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 15, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 15-114, to read:

15-114. Display of school, charter school and school district achievements, classifications or rankings; expiration; definition

A. A SCHOOL, CHARTER SCHOOL OR SCHOOL DISTRICT SHALL NOT DISPLAY ANY ACHIEVEMENT, CLASSIFICATION OR RANKING THAT WAS ASSIGNED BY A PUBLIC OR PRIVATE ENTITY AFTER THE ACHIEVEMENT, CLASSIFICATION OR RANKING IS NO LONGER CURRENT UNLESS THE YEAR OF ISSUANCE OF THE ACHIEVEMENT, CLASSIFICATION OR RANKING IS PROMINENTLY DISPLAYED.

B. ANY PERSON MAY SUBMIT A COMPLAINT IN WRITING TO THE DEPARTMENT OF EDUCATION WITH EVIDENCE AND SPECIFIC FACTS OF AN ALLEGED VIOLATION OF SUBSECTION A OF THIS SECTION. THE DEPARTMENT OF EDUCATION SHALL INVESTIGATE THE COMPLAINT. IF THE DEPARTMENT DETERMINES THAT THERE IS A VIOLATION OF THIS SECTION, IT SHALL SEND TO THE SCHOOL, CHARTER SCHOOL OR SCHOOL DISTRICT WRITTEN NOTIFICATION OF THE VIOLATION AND INSTRUCTION TO COMPLY WITH THIS SECTION.

C. FOR THE PURPOSES OF THIS SECTION, "DISPLAY" MEANS THE PLACING OF AN ACHIEVEMENT, CLASSIFICATION OR RANKING ON OR IN ANY BILLBOARD, MARQUEE, PUPIL TRANSPORTATION VEHICLE, LETTERHEAD, ADVERTISING, INTERNET WEB PAGE, INTRANET PAGE, OFFICE, CLASSROOM, HALLWAY, GYMNASIUM OR SIMILAR PLACE.

Sec. 2. Section 15-236, Arizona Revised Statutes, is amended to read:

15-236. Special education programs; program and fiscal audits

A. The department of education shall conduct program and fiscal audits of selected district special education programs. The audits shall be designed to determine the degree of compliance with existing statutes and regulations and the appropriate placement of students in special education programs. A report of the findings of such audits shall be completed on or before January February 3 of each year. If the department of education determines that a child has been inappropriately placed in a special education program of a school district, the district's weighted student count for educational support services for students in group B as provided in section 15-943 shall be recomputed and the district's entitlement to state aid adjusted accordingly.

B. For each fiscal year the department of education shall request a separate line item appropriation for program and fiscal audits of special education programs in the budget estimate submitted pursuant to section 35-113.

Sec. 3. Section 15-802, Arizona Revised Statutes, is amended to read:

15-802. School instruction; exceptions; violations; classification; definitions

A. Every child between the ages of six and sixteen years shall attend a school and shall be provided instruction in at least the subjects of reading, grammar, mathematics, social studies and science. The person who has custody of the child shall choose a public, private or charter school or
a homeschool as defined in this section to provide instruction OR SHALL SIGN
A CONTRACT TO PARTICIPATE IN AN ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT
PURSUANT TO SECTION 15-2402.

B. The parent or person who has custody shall do the following:
  1. If the child will attend a public, private or charter school, enroll the child in and ensure that the child attends a public, private or charter school for the full time school is in session. In accordance with guidelines adopted by the department of education, school districts and charter schools shall require and maintain verifiable documentation of residency in this state for pupils who enroll in the school district or charter school. If a child attends a school that is operated on a year-round basis, the child shall regularly attend during school sessions that total not less than one hundred eighty school days or two hundred school days, as applicable, or the equivalent as approved by the superintendent of public instruction.

  2. If the child will attend a private school or homeschool, file an affidavit of intent with the county school superintendent stating that the child is attending a regularly organized private school or is being provided with instruction in a homeschool. The affidavit of intent shall include:
     (a) The child’s name.
     (b) The child’s date of birth.
     (c) The current address of the school the child is attending.
     (d) The names, telephone numbers and addresses of the persons who currently have custody of the child.

  3. If the child will attend homeschool, the child has not reached eight years of age by September 1 of the school year and the person who has custody of the child does not desire to begin home instruction until the child has reached eight years of age, file an affidavit of intent pursuant to paragraph 2 of this subsection stating that the person who has custody of the child does not desire to begin homeschool instruction.

C. An affidavit of intent shall be filed within thirty days from the time the child begins to attend a private school or homeschool and is not required thereafter unless the private school or the homeschool instruction is terminated and then resumed. The person who has custody of the child shall notify the county school superintendent within thirty days of the termination that the child is no longer being instructed at a private school or a homeschool. If the private school or homeschool instruction is resumed, the person who has custody of the child shall file another affidavit of intent with the county school superintendent within thirty days.

D. A person is excused from the duties prescribed by subsection A or B of this section if any of the following is shown to the satisfaction of the school principal or the school principal’s designee:
1. The child is in such physical or mental condition that instruction is inexpedient or impracticable.

2. The child has completed the high school course of study necessary for completion of grade ten as prescribed by the state board of education.

3. The child has presented reasons for nonattendance at a public school that are satisfactory to the school principal or the school principal's designee. For the purposes of this paragraph, the principal's designee may be the school district governing board.

4. The child is over fourteen years of age and is employed, with the consent of the person who has custody of him, at some lawful wage earning occupation.

5. The child is enrolled in a work training, career education, career and technical education, vocational education or manual training program that meets the educational standards established and approved by the department of education.

6. The child was either:
   (a) Suspended and not directed to participate in an alternative education program.
   (b) Expelled from a public school as provided in article 3 of this chapter.

7. The child is enrolled in an education program provided by a state educational or other institution.

E. Unless otherwise exempted in this section or section 15-803, a parent of a child between six and sixteen years of age or a person who has custody of a child, who does not provide instruction in a homeschool and who fails to enroll or fails to ensure that the child attends a public, private or charter school pursuant to this section OR FAILS TO SIGN A CONTRACT TO PARTICIPATE IN AN EMPOWERMENT SCHOLARSHIP ACCOUNT PURSUANT TO SECTION 15-2402 is guilty of a class 3 misdemeanor. A parent who fails to comply with the duty to file an affidavit of intent to provide instruction in a homeschool is guilty of a petty offense.

F. IF A CHILD WILL BE EDUCATED PURSUANT TO AN EMPOWERMENT SCHOLARSHIP ACCOUNT PURSUANT TO SECTION 15-2402, THE DEPARTMENT OF EDUCATION SHALL PROVIDE A COPY OF THE CONTRACT TO PARTICIPATE IN THE EMPOWERMENT SCHOLARSHIP ACCOUNT TO THE SCHOOL SUPERINTENDENT OF THE COUNTY WHERE THE PUPIL RESIDES.

F. G. For the purposes of this section:

1. "EDUCATED PURSUANT TO AN EMPOWERMENT SCHOLARSHIP ACCOUNT" MEANS A CHILD WHOSE PARENT HAS SIGNED A CONTRACT PURSUANT TO SECTION 15-2402 TO EDUCATE THE CHILD OUTSIDE OF ANY SCHOOL DISTRICT OR CHARTER SCHOOL AND IN WHICH THE PARENT MAY BUT IS NOT REQUIRED TO ENROLL THE CHILD IN A PRIVATE SCHOOL OR TO EDUCATE THE CHILD THROUGH ANY OF THE METHODS SPECIFIED IN SECTION 15-2402.
1. "Homeschool" means a nonpublic school conducted primarily by
the parent, guardian or other person who has custody of the child or
nonpublic instruction provided in the child's home.
2. "Private school" means a nonpublic institution, other than the
child's home, where academic instruction is provided for at least the same
number of days and hours each year as a public school.

Sec. 4. Section 15-1182, Arizona Revised Statutes, is amended to read:

15-1182. Special education fund; administration
A. There is established a special education fund, which shall consist
of legislative appropriations made to the fund for purposes of this section
and section 15-1202 and chapter 19, article 1 of this title.
B. The fund shall be administered by the superintendent of public
instruction for the purposes provided in this article and article 7 of this
chapter and chapter 19, article 1 of this title.
C. Each fiscal year the state board of education shall include in its
budget request for assistance to schools a separate line item for the fund.
D. The fund shall provide monies for the education of a child who has
been placed in a residential facility by a state placing agency or who
requires a residential special education placement as defined in section
15-761 or for deposit into an Arizona empowerment scholarship account
pursuant to section 15-2402.
E. If a child has been placed in a residential facility by a state
placing agency, the fund shall provide monies for the following types of
vouchers:
   1. Initial residential education vouchers to fund the educational
costs for any child, whether or not eligible for special education. This
paragraph applies to a child who has been placed in a residential facility
and who has either not received a comprehensive education evaluation as
provided in section 15-766, who has previously received such an evaluation
and was determined to be ineligible for special education services or who is
eligible for special education and for whom necessary procedures for changing
the child's educational placement must be completed. This voucher expires on
the expiration of sixty calendar days or completion of the educational
evaluation or review of special education placement, whichever occurs first.
   2. Continuing residential education vouchers that fund the educational
costs for any child, whether or not eligible for special education, who
requires placement in a residential facility after the expiration of the
initial education voucher and who is not eligible for a residential special
education voucher.
F. When a school district makes a residential special education
placement, the fund shall provide monies to fund the residential special
education placement.
G. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations. Any monies left unexpended may be distributed to school districts by the department of education for the following purposes:

1. To provide educational counseling, training and support services to a child with a disability in order to maintain the child's educational placement in the least restrictive environment.

2. To provide educational transition assistance to children who return to their home after placement in a residential facility.

3. To train personnel for and develop and implement model programs for use by school districts to serve children with emotional disabilities.

H. The total amount of state monies that may be spent in any fiscal year by the superintendent of public instruction for the purposes of this article and chapter 19, article 1 of this title shall not exceed the amount appropriated or authorized by section 35-173 for that purpose. This article shall not be construed to impose a duty on an officer, agent or employee of this state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the expenditure authorized by legislative appropriation for that specific purpose.

Sec. 5. Section 15-2401, Arizona Revised Statutes, is amended to read:

> 15-2401. Definitions

In this chapter, unless the context otherwise requires:

1. "CURRICULUM" MEANS A COMPLETE COURSE OF STUDY FOR A PARTICULAR CONTENT AREA OR GRADE LEVEL, INCLUDING ANY SUPPLEMENTAL MATERIALS REQUIRED BY THE CURRICULUM.

2. "Department" means the department of education.

3. "Eligible postsecondary institution" means a community college as defined in section 15-1401, a university under the jurisdiction of the Arizona board of regents or an accredited private postsecondary institution.

4. "Parent" means a resident of this state who is the parent or legal guardian of a qualified student.

5. "Qualified school" means a nongovernmental primary or secondary school or a preschool for handicapped students that is located in this state and that does not discriminate on the basis of race, color or national origin.

6. "Qualified student" means a resident of this state who:

(a) Is either ANY OF THE FOLLOWING:

(i) Identified as having a disability under section 504 of the Rehabilitation act of 1973 (29 United States Code section 794).

(ii) Identified by a school district as a child with a disability as defined in section 15-761. 

(iii) A child with a disability who is eligible to receive services from a school district under section 15-763.

(iv) ATTENDING A SCHOOL OR SCHOOL DISTRICT THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241.
(v) A PREVIOUS RECIPIENT OF A SCHOLARSHIP ISSUED PURSUANT TO SECTION 15-891 OR THIS SECTION.
(vi) A CHILD OF A PARENT WHO IS A MEMBER OF THE ARMED FORCES OF THE UNITED STATES AND WHO IS ON ACTIVE DUTY.
(vii) A CHILD WITH A GUARDIAN WHO IS A MEMBER OF THE ARMED FORCES OF THE UNITED STATES AND WHO IS ON ACTIVE DUTY.
(viii) A CHILD WHO IS A WARD OF THE JUVENILE COURT AND WHO IS RESIDING WITH A PROSPECTIVE PERMANENT PLACEMENT PURSUANT TO SECTION 8-862 AND THE CASE PLAN IS ADOPTION OR PERMANENT GUARDIANSHIP.
(ix) A CHILD WHO WAS A WARD OF THE JUVENILE COURT AND WHO ACHIEVED PERMANENCY THROUGH ADOPTION OR PERMANENT GUARDIANSHIP.

(b) And who did any of the following:
   (i) Attended a governmental primary or secondary school as a full-time student as defined in section 15-901 for at least the first one hundred days of the prior fiscal year and who transferred from a governmental primary or secondary school to a qualified school UNDER A CONTRACT TO PARTICIPATE IN AN EMPOWERMENT SCHOLARSHIP ACCOUNT.
   (ii) PREVIOUSLY participated in the empowerment scholarship account program in the previous year and whose parent renews the agreement pursuant to section 15-2402, subsection B.
   (iii) Received a scholarship under section 43-1505 and who continues to attend a qualified school.
   (iv) WAS ELIGIBLE FOR AN ARIZONA SCHOLARSHIP FOR PUPILS WITH DISABILITIES AND RECEIVED MONIES FROM A SCHOOL TUITION ORGANIZATION PURSUANT TO SECTION 43-1505 OR RECEIVED AN ARIZONA SCHOLARSHIP FOR PUPILS WITH DISABILITIES BUT DID NOT RECEIVE MONIES FROM A SCHOOL TUITION ORGANIZATION PURSUANT TO SECTION 43-1505 AND WHO CONTINUES TO ATTEND A QUALIFIED SCHOOL.

6. "Treasurer" means the office of the state treasurer.

Sec. 6. Section 15-2402, Arizona Revised Statutes, is amended to read:

15-2402. Arizona empowerment scholarship accounts

A. Arizona empowerment scholarship accounts are established to provide options for the education of students in this state.

B. To enroll a qualified student for an empowerment scholarship account, the parent of the qualified student must sign an agreement to do all of the following:
   1. Provide an education for the qualified student in at least the subjects of reading, grammar, mathematics, social studies and science.
   2. Not enroll the qualified student in a school district or charter school and release the school district from all obligations to educate the qualified student. THIS PARAGRAPH DOES NOT RELIEVE THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT THE QUALIFIED STUDENT PREVIOUSLY ATTENDED FROM THE OBLIGATION TO CONDUCT AN EVALUATION PURSUANT TO SECTION 15-766.
   3. Not accept a scholarship from a school tuition organization pursuant to title 43 CONCURRENTLY WITH AN EMPOWERMENT SCHOLARSHIP ACCOUNT for the qualified student in the same year a parent signs the agreement pursuant to subsection B of this section.
4. Use the money deposited in the qualified student's Arizona empowerment scholarship account only for the following expenses of the qualified student:
   (a) Tuition or fees at a qualified school.
   (b) Textbooks required by a qualified school.
   (c) Educational therapies or services for the qualified student from a licensed or accredited practitioner or provider, INCLUDING LICENSED OR ACCREDITED PARAPROFESSIONALS OR EDUCATIONAL AIDES.
   (d) Tutoring services provided by a tutor accredited by a state, regional or national accrediting organization.
   (e) Curriculum.
   (f) Tuition or fees for a nonpublic online learning program.
   (g) Fees for a nationally standardized norm-referenced achievement test, advanced placement examinations or any exams related to college or university admission.
   (h) Contributions to a qualified tuition program established pursuant to 26 United States Code section 529 FOR THE BENEFIT OF THE QUALIFIED STUDENT.
   (i) Tuition or fees at an eligible postsecondary institution.
   (j) Textbooks required by an eligible postsecondary institution.
   (k) Fees for management of the empowerment scholarship account by firms selected by the department TREASURER.
   (l) SERVICES PROVIDED BY A PUBLIC SCHOOL, INCLUDING INDIVIDUAL CLASSES AND EXTRACURRICULAR PROGRAMS.

5. NOT FILE AN AFFIDAVIT OF INTENT TO HOMESCHOOL PURSUANT TO SECTION 15-802, SUBSECTION B, PARAGRAPH 2 OR 3.

6. NOT USE MONIES DEPOSITED IN THE QUALIFIED STUDENT'S ACCOUNT FOR ANY OF THE FOLLOWING:
   (a) COMPUTER HARDWARE OR OTHER TECHNOLOGICAL DEVICES.
   (b) TRANSPORTATION OF THE PUPIL.
   (c) CONSUMABLE EDUCATIONAL SUPPLIES, INCLUDING PAPER, PENS OR MARKERS.

C. In exchange for the parent's agreement pursuant to subsection B of this section, the department shall transfer from the special education fund pursuant to section 15-1102 MONIES THAT WOULD OTHERWISE BE ALLOCATED TO A RECIPIENT'S PRIOR SCHOOL DISTRICT to the treasurer for deposit into an Arizona empowerment scholarship account an amount that is equivalent to ninety per cent of the base support level prescribed in section 15-943 for that particular student. THE DEPARTMENT MAY RETAIN UP TO FIVE PER CENT OF THE BASE SUPPORT LEVEL PRESCRIBED IN SECTION 15-943 FOR EACH STUDENT WITH AN EMPOWERMENT SCHOLARSHIP ACCOUNT FOR DEPOSIT IN THE DEPARTMENT OF EDUCATION EMPOWERMENT SCHOLARSHIP ACCOUNT FUND ESTABLISHED IN SUBSECTION D OF THIS SECTION, OUT OF WHICH THE DEPARTMENT SHALL TRANSFER ONE PER CENT OF THE BASE SUPPORT LEVEL PRESCRIBED IN SECTION 15-943 FOR EACH STUDENT WITH AN EMPOWERMENT SCHOLARSHIP ACCOUNT TO THE STATE TREASURER FOR DEPOSIT IN THE STATE TREASURER EMPOWERMENT SCHOLARSHIP ACCOUNT FUND ESTABLISHED IN SUBSECTION E OF THIS SECTION.

E. THE STATE TREASURER EMPOWERMENT SCHOLARSHIP ACCOUNT FUND IS ESTABLISHED CONSISTING OF MONIES TRANSFERRED BY THE DEPARTMENT TO THE STATE TREASURER PURSUANT TO SUBSECTION C OF THIS SECTION. THE STATE TREASURER SHALL ADMINISTER THE FUND. MONIES IN THE FUND SHALL BE USED FOR THE STATE TREASURER'S COSTS IN ADMINISTERING THE EMPOWERMENT SCHOLARSHIP ACCOUNTS UNDER THIS CHAPTER. IF THE NUMBER OF EMPOWERMENT SCHOLARSHIP ACCOUNTS SIGNIFICANTLY INCREASES AFTER FISCAL YEAR 2013-2014, THE STATE TREASURER MAY REQUEST AN INCREASE IN THE AMOUNT APPROPRIATED TO THE FUND IN ANY SUBSEQUENT FISCAL YEAR IN THE BUDGET ESTIMATE SUBMITTED PURSUANT TO SECTION 35-113. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

F. A parent must renew the qualified student's empowerment scholarship account on an annual basis. NOTWITHSTANDING ANY CHANGES TO THE STUDENT'S MULTIDISCIPLINARY EVALUATION TEAM PLAN, A STUDENT WHO HAS PREVIOUSLY QUALIFIED FOR AN EMPOWERMENT SCHOLARSHIP ACCOUNT SHALL REMAIN ELIGIBLE TO APPLY FOR RENEWAL UNTIL THE STUDENT FINISHES HIGH SCHOOL.

G. A signed agreement under this section constitutes school attendance required by section 15-802.

H. A qualified school or a provider of services purchased pursuant to subsection B, paragraph 4 of this section may not share, refund or rebate any Arizona empowerment scholarship account monies with the parent or qualified child STUDENT in any manner.

I. On the qualified student's graduation from a postsecondary institution or after any period of four consecutive years after high school graduation in which the student is not enrolled in an eligible postsecondary institution, the qualified student's Arizona empowerment scholarship account shall be closed and any remaining funds shall be returned to the state.

J. Monies received pursuant to this article does DO not constitute taxable income to the parent of the qualifying QUALIFIED student.

Sec. 7. Section 15-2403, Arizona Revised Statutes, is amended to read:

15-2403. Empowerment scholarship accounts; administration; audit; rules
A. The treasurer may contract with private financial management firms to manage Arizona empowerment scholarship accounts with the supervision of the treasurer.

B. The department shall conduct or contract for annual audits of a random sample of empowerment scholarship accounts to ensure compliance with section 15-2402, subsection B, paragraph 4. The department may also conduct or contract for audits of empowerment scholarship accounts as needed to ensure compliance with section 15-2402, subsection B, paragraph 4.

C. The department may remove any parent or qualified student from eligibility for an Arizona empowerment scholarship account and shall notify the treasurer. A parent may appeal the department’s decision pursuant to title 41, chapter 6, article 10.

D. The department may refer cases of substantial misuse of monies to the attorney general for investigation if the department obtains evidence of fraudulent use of an account.

E. The treasurer may deduct up to three per cent of the amount of student state aid from each empowerment scholarship account for the costs of administering empowerment scholarship accounts under this chapter, including costs incurred by the department.

F. The department shall make quarterly transfers of the amount calculated pursuant to section 15-2402, subsection C to the treasurer for deposit into the empowerment scholarship account of each qualified student.

G. The department may adopt rules AND POLICIES necessary for the administration of empowerment scholarship accounts.

Sec. 8. Appropriation; department of education; exemption

A. The sum of $200,000 is appropriated from the department of education empowerment scholarship account fund established by section 15-2402, Arizona Revised Statutes, as amended by this act, in fiscal year 2012-2013 to the department of education for the purposes prescribed in that section.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 9. Effective date

Section 15-1182, Arizona Revised Statutes, as amended by this act, is effective from and after June 30, 2013.
H.B. 2622

APPROVED BY THE GOVERNOR MAY 14, 2012.