

State of Arizona  
Senate  
Fifty-third Legislature  
Second Regular Session  
2018

**CHAPTER 270**  
**SENATE BILL 1263**

AN ACT

AMENDING SECTION 15-701, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 137, SECTION 4, CHAPTER 194, SECTION 2 AND CHAPTER 210, SECTION 3; REPEALING SECTION 15-701, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 67, SECTION 2; AMENDING SECTION 15-701.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 1, SECTION 1, CHAPTER 127, SECTION 1 AND CHAPTER 145, SECTION 1; REPEALING SECTION 15-701.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 210, SECTION 4; AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 238, SECTION 1 AND CHAPTER 372, SECTION 4; REPEALING SECTION 15-1626, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 130, SECTION 1; AMENDING SECTION 20-1106, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1954, CHAPTER 64, ARTICLE 11, SECTION 6; REPEALING SECTION 20-1106, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 263, SECTION 1; AMENDING SECTION 41-3801, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2014, CHAPTER 215, SECTION 196; REPEALING SECTION 41-3801, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 184, SECTION 1; RELATING TO MULTIPLE, DEFECTIVE AND CONFLICTING LEGISLATIVE DISPOSITION 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 15-701, Arizona Revised Statutes, was amended by Laws  
4 2017, chapter 67, section 2, chapter 137, section 4, chapter 194, section  
5 2 and chapter 210, section 3. However, the chapter 67 version did not  
6 reflect the previous valid version of the section. In order to comply  
7 with article IV, part 2, section 14, Constitution of Arizona, this act  
8 amends section 15-701, Arizona Revised Statutes, as amended by Laws 2017,  
9 chapter 137, section 4, chapter 194, section 2 and chapter 210, section 3  
10 to incorporate the amendments made by Laws 2017, chapter 67 and repeals  
11 the chapter 67 version.

12 2. Section 15-701.01, Arizona Revised Statutes, was amended by Laws  
13 2017, chapter 210, section 4. However, this version did not reflect the  
14 previous valid version of the section. In order to comply with article  
15 IV, part 2, section 14, Constitution of Arizona, this act amends section  
16 15-701.01, Arizona Revised Statutes, as amended by Laws 2015, chapter 1,  
17 section 1, chapter 127, section 1 and chapter 145, section 1 to  
18 incorporate the amendments made by Laws 2017, chapter 210 and repeals the  
19 chapter 210 version.

20 3. Section 15-1626, Arizona Revised Statutes, was amended by Laws  
21 2016, chapter 130, section 1, chapter 238, section 1 and chapter 372,  
22 section 4. The chapter 130 version could not be blended because of the  
23 delayed effective date. In order to combine these versions, this act  
24 amends the Laws 2016, chapter 238 and chapter 372 version of section  
25 15-1626, Arizona Revised Statutes, to incorporate the amendments made by  
26 Laws 2016, chapter 130 and repeals the chapter 130 version.

27 4. Section 20-1106, Arizona Revised Statutes, was amended by Laws  
28 2017, chapter 263, section 1. However, this version did not reflect the  
29 previous valid version of the section. In order to comply with article  
30 IV, part 2, section 14, Constitution of Arizona, this act amends section  
31 20-1106, Arizona Revised Statutes, as added by Laws 1954, chapter 64,  
32 section 6, to incorporate the amendments made by Laws 2017, chapter 263  
33 and repeals the chapter 263 version.

34 5. Section 41-3801, Arizona Revised Statutes, was amended by Laws  
35 2017, chapter 184, section 1. However, this version did not reflect the  
36 previous valid version of the section. In order to comply with article  
37 IV, part 2, section 14, Constitution of Arizona, this act amends section  
38 41-3801, Arizona Revised Statutes, as amended by Laws 2014, chapter 215,  
39 section 196, to incorporate the amendments made by Laws 2017, chapter 184  
40 and repeals the chapter 184 version.

1           Sec. 2. Section 15-701, Arizona Revised Statutes, as amended by  
2 Laws 2017, chapter 137, section 4, chapter 194, section 2 and chapter 210,  
3 section 3, is amended to read:

4           15-701. Common school; promotions; requirements; certificate;  
5                     supervision of eighth grades by superintendent of  
6                     high school district; high school admissions;  
7                     academic credit; definition

8           A. The state board of education shall:

9           1. Prescribe a minimum course of study, as defined in section  
10 15-101 and incorporating the academic standards adopted by the state board  
11 of education, to be taught in the common schools.

12           2. Prescribe competency requirements for the promotion of pupils  
13 from the eighth grade and competency requirements for the promotion of  
14 pupils from the third grade incorporating the academic standards in at  
15 least the areas of reading, writing, mathematics, science and social  
16 studies. The competency requirements for the promotion of pupils from the  
17 third grade shall include the following:

18           (a) A requirement that a pupil not be promoted from the third grade  
19 if the pupil obtains a score on the reading portion of the statewide  
20 assessment that ~~demonstrates that the pupil's reading falls far below the~~  
21 ~~third grade level or the equivalent~~ DOES NOT DEMONSTRATE SUFFICIENT  
22 READING SKILLS as established by the board. A pupil may not be retained  
23 if data regarding the pupil's performance on the statewide assessment is  
24 not available before the ~~start~~ END of the ~~following~~ CURRENT academic year.  
25 A pupil who is not retained due to the unavailability of test data must  
26 receive EVIDENCE-BASED intervention and remedial strategies pursuant to  
27 subdivision (c) of this paragraph if the third grade assessment data  
28 subsequently ~~demonstrates that the pupil's reading ability falls far below~~  
29 ~~the third grade level or the equivalent~~ DOES NOT DEMONSTRATE SUFFICIENT  
30 READING SKILLS.

31           (b) A mechanism to allow a school district governing board or the  
32 governing body of a charter school to promote ~~a pupil~~ from the third grade  
33 ~~who obtains a score on the reading portion of the statewide assessment~~  
34 ~~that demonstrates that the pupil's reading falls far below the third grade~~  
35 ~~level for any of the following~~ A PUPIL WHO DOES NOT DEMONSTRATE SUFFICIENT  
36 READING SKILLS PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH IF THE PUPIL:

37           (i) ~~A good cause exemption if the pupil~~ Is an English learner or a  
38 limited English proficient student as defined in section 15-751 and has  
39 had fewer than two years of English language instruction.

40           (ii) ~~A pupil who~~ Is in the process of a special education referral  
41 or evaluation for placement in special education, ~~a pupil who~~ has been  
42 diagnosed as having a significant reading impairment, including dyslexia,  
43 or ~~a pupil who~~ is a child with a disability as defined in section 15-761  
44 if the pupil's individualized education program team and the pupil's

1 parent or guardian agree that promotion is appropriate based on the  
2 pupil's individualized education program.

3 (iii) HAS DEMONSTRATED OR SUBSEQUENTLY DEMONSTRATES SUFFICIENT  
4 READING SKILLS OR ADEQUATE PROGRESS TOWARDS SUFFICIENT READING SKILLS OF  
5 THE THIRD GRADE READING STANDARDS AS EVIDENCED THROUGH A COLLECTION OF  
6 READING ASSESSMENTS APPROVED BY THE STATE BOARD OF EDUCATION, WHICH  
7 INCLUDES AN ALTERNATIVE STANDARDIZED READING ASSESSMENT APPROVED BY THE  
8 STATE BOARD.

9 ~~(iii)~~ (iv) ~~A pupil who~~ Receives intervention and remedial services  
10 during the summer or subsequent school year pursuant to subdivision (c) of  
11 this paragraph and demonstrates sufficient progress ~~may be promoted from~~  
12 ~~the third grade~~ based on guidelines issued pursuant to subsection B,  
13 paragraph ~~5- 6~~ of this section.

14 (c) EVIDENCE-BASED intervention and remedial strategies developed  
15 by the state board of education for pupils who are not promoted from the  
16 third grade. A school district governing board or the governing body of a  
17 charter school shall offer ~~at least~~ MORE THAN one of the intervention and  
18 remedial strategies developed by the state board of education. The parent  
19 or guardian of a pupil who is not promoted from the third grade and the  
20 pupil's teacher and principal may choose the most appropriate intervention  
21 and remedial strategies that will be provided to that pupil. The  
22 intervention and remedial strategies developed by the state board of  
23 education shall include:

24 (i) A requirement that the pupil be assigned ~~to a different teacher~~  
25 for EVIDENCE-BASED reading instruction BY A DIFFERENT TEACHER WHO WAS  
26 DESIGNATED IN THAT TEACHER'S MOST RECENT PERFORMANCE EVALUATION IN ONE OF  
27 THE TOP TWO PERFORMANCE CLASSIFICATIONS PURSUANT TO SECTION 15-203,  
28 SUBSECTION A, PARAGRAPH 38.

29 (ii) Summer school reading instruction.

30 (iii) In the next academic year, intensive reading instruction that  
31 occurs before, during or after the regular school day, or any combination  
32 of before, during and after the regular school day.

33 (iv) SMALL GROUP AND TEACHER-LED EVIDENCE-BASED READING  
34 INSTRUCTION, WHICH MAY INCLUDE COMPUTER-BASED OR online reading  
35 instruction.

36 (d) A REQUIREMENT THAT A SCHOOL DISTRICT GOVERNING BOARD OR CHARTER  
37 SCHOOL GOVERNING BODY THAT PROMOTES A PUPIL PURSUANT TO SUBDIVISION (b) OF  
38 THIS PARAGRAPH PROVIDE ANNUAL REPORTING TO THE DEPARTMENT OF EDUCATION ON  
39 OR BEFORE OCTOBER 1 THAT INCLUDES INFORMATION ON THE TOTAL NUMBER OF  
40 PUPILS SUBJECT TO THE RETENTION PROVISIONS OF SUBDIVISION (a) OF THIS  
41 PARAGRAPH, THE TOTAL NUMBER OF STUDENTS PROMOTED PURSUANT TO SUBDIVISION  
42 (b) OF THIS PARAGRAPH, THE TOTAL NUMBER OF PUPILS RETAINED IN GRADE THREE  
43 AND THE INTERVENTIONS ADMINISTERED PURSUANT TO SUBDIVISION (c) OF THIS  
44 PARAGRAPH.

1           3. Provide for universal screening of pupils in preschool programs,  
2 kindergarten programs and grades one through three that is designed to  
3 identify pupils who have reading deficiencies pursuant to section 15-704.

4           4. Develop EVIDENCE-BASED intervention and remedial strategies  
5 pursuant to paragraph 2, subdivision (c) of this subsection for pupils in  
6 kindergarten programs and grades one through three who are identified as  
7 having reading deficiencies pursuant to section 15-704.

8           5. Distribute guidelines for the school districts to follow in  
9 prescribing criteria for the promotion of pupils from grade to grade in  
10 the common schools. These guidelines shall include recommended procedures  
11 for ensuring that the cultural background of a pupil is taken into  
12 consideration when criteria for promotion are being applied.

13           B. School districts and charter schools shall provide annual  
14 written notification to parents of pupils in kindergarten programs and  
15 first, second and third grades that a pupil ~~who obtains a score on the~~  
16 ~~reading portion of the statewide assessment that demonstrates the pupil is~~  
17 ~~reading far below the third grade level~~ WHO DOES NOT DEMONSTRATE  
18 SUFFICIENT READING SKILLS PURSUANT TO SUBSECTION A OF THIS SECTION will  
19 not be promoted from the third grade. ~~If the school has determined that~~  
20 ~~the pupil is substantially deficient in reading before the end of grade~~  
21 ~~three, the school district or charter~~ School DISTRICTS AND CHARTER SCHOOLS  
22 SHALL IDENTIFY EACH PUPIL WHO IS AT RISK OF READING BELOW GRADE LEVEL IN  
23 KINDERGARTEN AND GRADES ONE, TWO AND THREE, BASED ON LOCAL OR STATEWIDE  
24 ASSESSMENTS, AND shall provide to the parent of that pupil a ~~separate~~  
25 SPECIFIC written notification of the reading deficiency that includes the  
26 following information:

27           1. A DESCRIPTION OF THE PUPIL'S SPECIFIC INDIVIDUAL NEEDS.

28           ~~1.~~ 2. A description of the current reading services provided to  
29 the pupil.

30           ~~2.~~ 3. A description of the available supplemental instructional  
31 services and supporting programs that are designed to remediate reading  
32 deficiencies. Each school district or charter school shall offer ~~at least~~  
33 MORE THAN one EVIDENCE-BASED intervention strategy and ~~at least~~ MORE THAN  
34 one remedial strategy DEVELOPED BY THE STATE BOARD OF EDUCATION for pupils  
35 with reading deficiencies. The notification shall list the intervention  
36 and remedial strategies offered and shall instruct the parent ~~or guardian~~  
37 to choose, IN CONSULTATION WITH THE PUPIL'S TEACHER, the ~~strategy~~ MOST  
38 APPROPRIATE STRATEGIES that will be PROVIDED AND implemented for that  
39 child.

40           ~~3.~~ 4. Parental strategies to assist the pupil to attain reading  
41 proficiency.

42           ~~4.~~ 5. A statement that the pupil will not be promoted from the  
43 third grade if the pupil ~~obtains a score on the reading portion of the~~  
44 ~~statewide assessment that demonstrates the pupil is reading far below the~~  
45 ~~third grade level~~ DOES NOT DEMONSTRATE SUFFICIENT READING SKILLS PURSUANT

1 TO SUBSECTION A, PARAGRAPH 2, SUBDIVISION (a) OF THIS SECTION, unless the  
2 pupil is exempt from mandatory retention in grade three or the pupil  
3 qualifies for an exemption pursuant to subsection A, PARAGRAPH 2,  
4 SUBDIVISION (b) of this section.

5 ~~5.~~ 6. A description of the school district or charter school  
6 policies on midyear promotion to a higher grade.

7 C. Pursuant to the guidelines that the state board of education  
8 distributes, the governing board of a school district shall:

9 1. Prescribe curricula that include the academic standards in the  
10 required subject areas pursuant to subsection A, paragraph 1 of this  
11 section.

12 2. Prescribe criteria for the promotion of pupils from grade to  
13 grade in the common schools in the school district. These criteria shall  
14 include accomplishment of the academic standards in at least reading,  
15 writing, mathematics, science and social studies, as determined by  
16 district assessment. Other criteria may include additional measures of  
17 academic achievement and attendance.

18 D. The governing board may prescribe the course of study and  
19 competency requirements for promotion that are in addition to or higher  
20 than the course of study and competency requirements the state board  
21 prescribes.

22 E. A teacher shall determine whether to promote or retain a pupil  
23 in grade in a common school on the basis of the prescribed criteria. The  
24 governing board, if it reviews the decision of a teacher to promote or  
25 retain a pupil in grade in a common school as provided in section 15-342,  
26 paragraph 11, shall base its decision on the prescribed criteria.

27 F. A governing board may provide and issue certificates of  
28 promotion to pupils whom it promotes from the eighth grade of a common  
29 school. Such certificates shall be signed by the principal or  
30 superintendent of schools. Where there is no principal or superintendent  
31 of schools, the certificates shall be signed by the teacher of an eighth  
32 grade. The certificates shall admit the holders to any high school in the  
33 state.

34 G. Within any high school district or union high school district,  
35 the superintendent of the high school district shall supervise the work of  
36 the eighth grade of all schools employing no superintendent or principal.

37 H. A school district shall not deny a pupil who is between the ages  
38 of sixteen and twenty-one years admission to a high school because the  
39 pupil does not hold an eighth grade certificate. Governing boards shall  
40 establish procedures for determining the admissibility of pupils who are  
41 under sixteen years of age and who do not hold eighth grade certificates.

42 I. The state board of education shall adopt rules to allow common  
43 school pupils who can demonstrate competency in a particular academic  
44 course or subject to obtain academic credit for the course or subject  
45 without enrolling in the course or subject.

1 J. A school district may conduct a ceremony to honor pupils who  
2 have been promoted from the eighth grade.

3 K. For the purposes of this section, "dyslexia" means a condition  
4 that:

5 1. Is neurological in origin.

6 2. Is characterized by difficulties with accurate or fluent word  
7 recognition and by poor spelling and decoding abilities, including  
8 difficulties that typically result from a deficit in the phonological  
9 component of language that is often unexpected in relation to other  
10 cognitive abilities and to the provision of effective classroom  
11 instruction.

12 3. May include secondary consequences such as problems with reading  
13 comprehension and reduced reading experience that may impede the growth of  
14 vocabulary and background knowledge.

15 Sec. 3. Repeal

16 Section 15-701, Arizona Revised Statutes, as amended by Laws 2017,  
17 chapter 67, section 2, is repealed.

18 Sec. 4. Section 15-701.01, Arizona Revised Statutes, as amended by  
19 Laws 2015, chapter 1, section 1, chapter 127, section 1 and chapter 145,  
20 section 1, is amended to read:

21 15-701.01. High school; graduation; requirements; community  
22 college or university courses; transfer from  
23 private schools; academic credit

24 A. The state board of education shall:

25 1. Prescribe a minimum course of study, as defined in section  
26 15-101 and incorporating the academic standards adopted by the state board  
27 of education, for the graduation of pupils from high school.

28 2. Prescribe competency requirements for the graduation of pupils  
29 from high school incorporating the academic standards in at least the  
30 areas of reading, writing, mathematics, science and social studies. The  
31 academic standards prescribed by the state board of education in social  
32 studies shall include personal finance. This paragraph does not allow the  
33 state board of education to establish a required separate personal finance  
34 course for the purpose of the graduation of pupils from high school.  
35 Beginning in the 2016-2017 school year, the competency requirements for  
36 social studies shall include a requirement that, in order to graduate from  
37 high school or obtain a high school equivalency diploma, a pupil must  
38 correctly answer at least sixty of the one hundred questions listed on a  
39 test that is identical to the civics portion of the naturalization test  
40 used by the United States citizenship and immigration services. A  
41 district school or charter school shall document on the pupil's transcript  
42 that the pupil has passed a test that is identical to the civics portion  
43 of the naturalization test used by the United States citizenship and  
44 immigration services as required by this section.

1           3. Develop and adopt competency tests pursuant to section 15-741.  
2 English language learners who are subject to article 3.1 of this chapter  
3 are subject to the assessments prescribed in section 15-741.

4           B. The governing board of a school district shall:

5           1. Prescribe curricula that include the academic standards in the  
6 required subject areas pursuant to subsection A, paragraph 1 of this  
7 section.

8           2. Prescribe criteria for the graduation of pupils from the high  
9 schools in the school district. These criteria shall include  
10 accomplishment of the academic standards in at least reading, writing,  
11 mathematics, science and social studies, as determined by district  
12 assessment. Other criteria may include additional measures of academic  
13 achievement and attendance. Pursuant to the prescribed graduation  
14 requirements adopted by the state board of education, the governing board  
15 may approve a rigorous computer science course that would fulfill a  
16 mathematics course required for graduation from high school. The  
17 governing board may approve a rigorous computer science course only if the  
18 rigorous computer science course includes significant mathematics content  
19 and the governing board determines the high school where the rigorous  
20 computer science course is offered has sufficient capacity, infrastructure  
21 and qualified staff, including competent teachers of computer science.  
22 The school district governing board or charter school governing body may  
23 determine the method and manner in which to administer a test that is  
24 identical to the civics portion of the naturalization test used by the  
25 United States citizenship and immigration services. A pupil who does not  
26 obtain a passing score on the test that is identical to the civics portion  
27 of the naturalization test may retake the test until the pupil obtains a  
28 passing score.

29           C. The governing board may prescribe the course of study and  
30 competency requirements for the graduation of pupils from high school that  
31 are in addition to or higher than the course of study and competency  
32 requirements that the state board prescribes.

33           D. The governing board may prescribe competency requirements for  
34 the passage of pupils in courses that are required for graduation from  
35 high school.

36           E. A teacher shall determine whether to pass or fail a pupil in a  
37 course in high school ~~as provided in section 15-521, paragraph 4~~ on the  
38 basis of the competency requirements, if any have been prescribed. The  
39 governing board, if it reviews the decision of a teacher to pass or fail a  
40 pupil in a course in high school as provided in section 15-342, paragraph  
41 11, shall base its decision on the competency requirements, if any have  
42 been prescribed.

43           F. Graduation requirements established by the governing board may  
44 be met by a pupil who passes courses in the required or elective subjects  
45 at a community college or university, if the course is at a higher level

1 than the course taught in the high school attended by the pupil or, if the  
2 course is not taught in the high school, the level of the course is equal  
3 to or higher than the level of a high school course. The governing board  
4 shall determine if the subject matter of the community college or  
5 university course is appropriate to the specific requirement the pupil  
6 intends it to fulfill and if the level of the community college or  
7 university course is less than, equal to or higher than a high school  
8 course, and the governing board shall award one-half of a Carnegie unit  
9 for each three semester hours of credit THAT the pupil earns in an  
10 appropriate community college or university course. If a pupil is not  
11 satisfied with the decision of the governing board regarding the amount of  
12 credit granted or the subjects for which credit is granted, the pupil may  
13 request that the state board of education review the decision of the  
14 governing board, and the state board shall make the final determination of  
15 the amount of credit to be given the pupil and for which subjects. The  
16 governing board shall not limit the number of credits that is required for  
17 high school graduation and that may be met by taking community college or  
18 university courses. For the purposes of this subsection:

19 1. "Community college" means an educational institution that is  
20 operated by a community college district as defined in section 15-1401 or  
21 a postsecondary educational institution under the jurisdiction of an  
22 Indian tribe recognized by the United States department of the interior.

23 2. "University" means a university under the jurisdiction of the  
24 Arizona board of regents.

25 G. A pupil who transfers from a private school shall be provided  
26 with a list that indicates those credits that have been accepted and  
27 denied by the school district. A pupil may request to take an examination  
28 in each particular course in which credit has been denied. The school  
29 district shall accept the credit for each particular course in which the  
30 pupil takes an examination and receives a passing score on a test designed  
31 and evaluated by a teacher in the school district who teaches the subject  
32 matter on which the examination is based. In addition to the above  
33 requirements, the governing board of a school district may prescribe  
34 requirements for the acceptance of the credits of pupils who transfer from  
35 a private school.

36 H. If a pupil who was previously enrolled in a charter school or  
37 school district enrolls in a school district in this state, the school  
38 district shall accept credits earned by the pupil in courses or  
39 instructional programs at the charter school or school district. The  
40 governing board of a school district may adopt a policy concerning the  
41 application of transfer credits for the purpose of determining whether a  
42 credit earned by a pupil who was previously enrolled in a school district  
43 or charter school will be assigned as an elective or core credit.

44 I. A pupil who transfers credit from a charter school, A school  
45 district or Arizona online instruction shall be provided with a list that

1 indicates which credits have been accepted as ~~an~~ elective ~~credit~~ CREDITS  
2 and which credits have been accepted as ~~a~~ core ~~credit~~ CREDITS by the  
3 school district or charter school. Within ten school days after receiving  
4 the list, ~~a~~ THE pupil may request to take an examination in each  
5 particular course in which core credit has been denied. The school  
6 district or charter school shall accept the credit as a core credit for  
7 each particular course in which the pupil takes an examination and  
8 receives a passing score on a test, ~~THAT IS~~ aligned to the competency  
9 requirements adopted pursuant to this section, ~~AND THAT IS~~ designed and  
10 evaluated by a teacher in the school district or charter school who  
11 teaches the subject matter on which the examination is based. If a pupil  
12 is enrolled in a school district or charter school and that pupil also  
13 participates in Arizona online instruction between May 1 and July 31, the  
14 school district or charter school shall not require proof of payment as a  
15 condition of the school district or charter school accepting credits  
16 earned from the online course provider.

17 J. The state board of education shall adopt rules to allow high  
18 school pupils who can demonstrate competency in a particular academic  
19 course or subject to obtain academic credit for the course or subject  
20 without enrolling in the course or subject.

21 K. Pupils who earn a Grand Canyon diploma pursuant to article 6 of  
22 this chapter are exempt from the graduation requirements prescribed in  
23 this section. Pupils who earn a Grand Canyon diploma are entitled to all  
24 the rights and privileges of persons who graduate with a high school  
25 diploma issued pursuant to this section, including access to postsecondary  
26 scholarships and other forms of student financial aid and access to all  
27 forms of postsecondary education. Notwithstanding any other law, a pupil  
28 who is eligible for a Grand Canyon diploma may elect to remain in high  
29 school through grade twelve and shall not be prevented from enrolling at a  
30 high school after the pupil becomes eligible for a Grand Canyon diploma.  
31 A pupil who is eligible for a Grand Canyon diploma and who elects not to  
32 pursue one of the options prescribed in section 15-792.03 may only be  
33 readmitted to that high school or another high school in this state  
34 pursuant to policies adopted by the school district of readmission.

35 Sec. 5. Repeal

36 Section 15-701.01, Arizona Revised Statutes, as amended by Laws  
37 2017, chapter 210, section 4, is repealed.

38 Sec. 6. Section 15-1626, Arizona Revised Statutes, as amended by  
39 Laws 2016, chapter 238, section 1 and chapter 372, section 4, is amended  
40 to read:

41 15-1626. General administrative powers and duties of board;  
42 definition

43 A. The board shall:

44 1. Have and exercise the powers necessary for the effective  
45 governance and administration of the institutions under its control. To

1 that end, the board may adopt, and authorize each university to adopt,  
2 such regulations, policies, rules or measures as are deemed necessary and  
3 may delegate in writing to its committees, to its university presidents,  
4 or their designees, or to other entities under its control, ~~any~~ any part of  
5 its authority for the administration and governance of such institutions,  
6 including those powers enumerated in section 15-1625, subsection B,  
7 paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this subsection  
8 and subsection B of this section. Any delegation of authority may be  
9 rescinded by the board at any time in whole or in part.

10 2. Appoint and employ and determine the compensation of presidents  
11 with such power and authority and for such purposes in connection with the  
12 operation of the institutions as the board deems necessary.

13 3. Appoint and employ and determine the compensation of  
14 vice-presidents, deans, professors, instructors, lecturers, fellows and  
15 such other officers and employees with such power and authority and for  
16 such purposes in connection with the operation of the institutions as the  
17 board deems necessary, or delegate its authority pursuant to paragraph 1  
18 of this subsection.

19 4. Remove any officer or employee when the interests of education  
20 in this state so require in accordance with its personnel rules and  
21 policies.

22 5. Fix tuitions and fees to be charged and differentiate the  
23 tuitions and fees between institutions and between residents,  
24 nonresidents, undergraduate students, graduate students, students from  
25 foreign countries and students who have earned credit hours in excess of  
26 the credit hour threshold. For the purposes of this paragraph, the  
27 undergraduate credit hour threshold is one hundred forty-five hours for  
28 students who attend a university under the jurisdiction of the board. The  
29 undergraduate credit hour threshold shall be based on the actual full-time  
30 equivalent student enrollment counted on the forty-fifth day of every fall  
31 and spring semester, divided by two, and any budget adjustment based on  
32 student enrollment shall occur in the fiscal year following the actual  
33 full-time equivalent student enrollment count. The undergraduate credit  
34 hour threshold shall not apply to degree programs that require credit  
35 hours above the credit hour threshold, credits earned in the pursuit of up  
36 to two baccalaureate degrees, credits earned in the pursuit of up to two  
37 state regulated licensures or certificates, credits earned in the pursuit  
38 of teaching certification, credits transferred from a private institution  
39 of higher education, credits transferred from an institution of higher  
40 education in another state, credits earned at another institution of  
41 higher education but that are not accepted as transfer credits at the  
42 university where the student is currently enrolled and credits earned by  
43 students who enroll at a university under the jurisdiction of the board  
44 more than twenty-four months after the end of that student's previous  
45 enrollment at a public institution of higher education in this state. On

1 or before October 15 of each year, the board shall report to the joint  
2 legislative budget committee the number of in-state students and  
3 out-of-state students who were enrolled at universities under the  
4 jurisdiction of the board during the previous fiscal year who met or  
5 exceeded the undergraduate credit hour threshold prescribed in this  
6 paragraph. The amount of tuition, ~~registration~~ AND fees ~~and other~~  
7 ~~revenues~~ included in the operating budget for the university adopted by  
8 the board as prescribed in paragraph 13 of this subsection shall be  
9 SUBJECT TO LEGISLATIVE APPROPRIATION AND deposited, ~~pursuant to sections~~  
10 ~~35-146 and 35-147~~ IN A SEPARATE TUITION AND FEES SUBACCOUNT FOR EACH  
11 UNIVERSITY. All other tuition and fee revenue shall be retained by each  
12 university for expenditure as approved by the board, ~~except that~~ IN A  
13 SEPARATE LOCAL TUITION AND FEES SUBACCOUNT FOR EACH UNIVERSITY. THIS  
14 SUBACCOUNT SHALL CONSIST OF ONLY TUITION AND FEES. The universities shall  
15 not use any tuition or fee revenue to fund or support an alumni  
16 association.

17 6. Except as provided in subsection I of this section, adopt rules  
18 to govern its tuition and fee setting process that provide for the  
19 following:

20 (a) At least one public hearing at each university as an  
21 opportunity for students and members of the public to comment on any  
22 proposed increase in tuition or fees.

23 (b) Publication of the notice of public hearing at least ten days  
24 before the hearing in a newspaper of general circulation in Maricopa  
25 county, Coconino county and Pima county. The notice shall include the  
26 date, time and location of the public hearing.

27 (c) Public disclosure by each university of any proposed increases  
28 in tuition or fees at least ten days before the public hearing.

29 (d) A ROLL CALL VOTE OF ANY final board action on changes in  
30 tuition or fees ~~shall be taken by roll call vote.~~

31 The procedural requirements of subdivisions (a), (b), (c) and (d) of this  
32 paragraph apply only to those changes in tuition or fees that require  
33 board approval.

34 7. Pursuant to section 35-115, submit a budget request for each  
35 institution under its jurisdiction that includes the estimated tuition and  
36 fee revenue available to support the programs of the institution as  
37 described in the budget request. The estimated available tuition and fee  
38 revenue shall be based on the tuition and registration fee rates in effect  
39 at the time the budget request is submitted with adjustments for projected  
40 changes in enrollment as provided by the board.

41 8. Establish ~~curriculums~~ CURRICULA and designate courses at the  
42 several institutions that in its judgment will best serve the interests of  
43 this state.

44 9. Award such degrees and diplomas on the completion of such  
45 courses and curriculum requirements as it deems appropriate.

1           10. Prescribe qualifications for admission of all students to the  
2 universities. The board shall establish policies for guaranteed admission  
3 that ~~assure~~ ENSURE fair and equitable access to students in this state  
4 from public, private and charter schools and homeschools. For the purpose  
5 of determining the qualifications of honorably discharged veterans,  
6 veterans are those persons who served in the armed forces for a minimum of  
7 two years and who were previously enrolled at a university or community  
8 college in this state. No prior failing grades received by the veteran at  
9 the university or community college in this state may be considered.

10           11. Adopt any energy conservation standards promulgated by the  
11 department of administration for the construction of new buildings.

12           12. Employ for such time and purposes as the board requires  
13 attorneys whose compensation shall be fixed and paid by the board.  
14 Litigation to which the board is a party and for which self-insurance is  
15 not provided may be compromised or settled at the direction of the board.

16           13. Adopt annually an operating budget for each university equal to  
17 the sum of appropriated general fund monies and the amount of  
18 tuition, ~~registration~~ AND fees ~~and other revenues~~ approved by the board  
19 and allocated to each university operating budget.

20           14. In consultation with the state board of education and other  
21 education groups, develop and implement a program to award honors  
22 endorsements to be affixed to the high school diplomas of qualifying high  
23 school pupils and to be included in the transcripts of pupils who are  
24 awarded endorsements. The board shall develop application procedures and  
25 testing criteria and adopt testing instruments and procedures to  
26 administer the program. In order to receive an honors endorsement, a  
27 pupil must demonstrate an extraordinary level of knowledge, skill and  
28 competency as measured by the testing instruments adopted by the board in  
29 mathematics, English, science and social studies. Additional subjects may  
30 be added at the determination of the board. The program is voluntary for  
31 pupils.

32           15. Require the publisher of each literary and nonliterary textbook  
33 used in the universities of this state to furnish computer software in a  
34 standardized format when software becomes available for nonliterary  
35 textbooks to the Arizona board of regents from which braille versions of  
36 the textbooks may be produced.

37           16. Require universities that provide a degree in education to  
38 require courses that are necessary to obtain a provisional structured  
39 English immersion endorsement as prescribed by the state board of  
40 education.

41           17. Acquire United States flags for each classroom that are  
42 manufactured in the United States and that are at least two feet by three  
43 feet and hardware to appropriately display the United States flags,  
44 acquire a legible copy of the Constitution of the United States and the  
45 Bill of Rights, display the flags in each classroom in accordance with

1 title 4 of the United States Code and display a legible copy of the  
2 Constitution of the United States and the Bill of Rights adjacent to the  
3 flag.

4 18. To facilitate the transfer of military personnel and their  
5 dependents to and from the public schools of this state, pursue, in  
6 cooperation with the state board of education, reciprocity agreements with  
7 other states concerning the transfer credits for military personnel and  
8 their dependents. A reciprocity agreement entered into pursuant to this  
9 paragraph shall:

10 (a) Address procedures for each of the following:

11 (i) The transfer of student records.

12 (ii) Awarding credit for completed ~~course work~~ COURSEWORK.

13 (iii) Permitting a student to satisfy the graduation requirements  
14 prescribed in section 15-701.01 through the successful performance on  
15 comparable exit-level assessment instruments administered in another  
16 state.

17 (b) Include appropriate criteria developed by the state board of  
18 education and the Arizona board of regents.

19 19. Require a university to publicly post notices of all of its  
20 employment openings, including the title and description, instructions for  
21 applying and relevant contact information.

22 20. In consultation with the community college districts in this  
23 state, develop and implement common equivalencies for specific levels of  
24 achievement on advanced placement examinations and international  
25 baccalaureate examinations in order to award commensurate postsecondary  
26 academic credits at community colleges and public universities in this  
27 state.

28 21. On or before August 1 of each year, report to the joint  
29 legislative budget committee the graduation rate by university campus  
30 during the previous fiscal year. The board shall also report the  
31 retention rate by university campus and by class, as determined by date of  
32 entry during the previous fiscal year.

33 B. The board shall adopt personnel policies for all employees of  
34 the board and the universities.

35 C. In conjunction with the auditor general, the board shall develop  
36 a uniform accounting and reporting system, which shall be reviewed by the  
37 joint legislative budget committee before final adoption by the board.  
38 The board shall require each university to comply with the uniform  
39 accounting and reporting system.

40 D. The board may employ legal assistance in procuring loans for the  
41 institutions from the United States government. Fees or compensation paid  
42 for such legal assistance shall not be a claim on the general fund of this  
43 state but shall be paid from funds of the institutions.

1 E. The board shall approve or disapprove any contract or agreement  
2 entered into by the university of Arizona hospital with the Arizona  
3 industrial development authority.

4 F. The board may adopt policies that authorize the institutions  
5 under its jurisdiction to enter into employment contracts with nontenured  
6 employees for periods of more than one year but not more than five years.  
7 The policies shall prescribe limitations on the authority of the  
8 institutions to enter into employment contracts for periods of more than  
9 one year but not more than five years, including the requirement that the  
10 board approve the contracts.

11 G. The board may adopt a plan or plans for employee benefits that  
12 allow for participation in a cafeteria plan that meets the requirements of  
13 the United States internal revenue code of 1986.

14 H. The board may establish a program for the exchange of students  
15 between the universities under the jurisdiction of the board and colleges  
16 and universities located in the state of Sonora, Mexico. Notwithstanding  
17 subsection A, paragraph 5 of this section, the program may provide for  
18 in-state tuition at the universities under the jurisdiction of the board  
19 for fifty Sonoran students in exchange for similar tuition provisions for  
20 up to fifty Arizona students enrolled or seeking enrollment in Sonoran  
21 colleges or universities. The board may direct the universities to work  
22 in conjunction with the Arizona-Mexico commission to coordinate  
23 recruitment and admissions activities.

24 I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of  
25 this section do not apply to fee increases that are set by individual  
26 universities and that do not require approval by the Arizona board of  
27 regents before the fee increase becomes effective.

28 J. The Arizona board of regents, in collaboration with the  
29 universities under its jurisdiction, shall adopt a performance funding  
30 model. The performance funding model shall use performance metrics that  
31 include the increase in degrees awarded, the increase in completed student  
32 credit hours and the increase in externally generated research and public  
33 service funding. The funding formula may give added weight to degrees  
34 related to science, technology, engineering and mathematics and other  
35 high-value degrees that are in short supply or that are essential to this  
36 state's long-term economic development strategy.

37 K. The Arizona board of regents shall use the performance funding  
38 model adopted pursuant to subsection J of this section in developing and  
39 submitting budget requests for the universities under its jurisdiction.

40 L. On or before November 1 of each year, the Arizona board of  
41 regents shall submit to the joint legislative budget committee and the  
42 governor's office of strategic planning and budgeting a report on  
43 university debt and obligations, including:

- 44 1. Long-term notes and obligations.

1           2. Certificates of participation and other obligations pursuant to  
2 any lease-purchase agreements.

3           3. Revenue bonds.

4           4. Bonds issued pursuant to section 15-1682.03.

5           5. Commercial paper issued pursuant to section 15-1696.

6           M. The report issued pursuant to subsection L of this section shall  
7 contain, for the most recent fiscal year:

8           1. The aggregate level of outstanding principal and the principal  
9 and interest payments, by type of debt or obligation.

10           2. An itemization, by campus and project, of the amount of yearly  
11 principal and interest to be paid in the most recent and the next five  
12 fiscal years.

13           N. The board may enter into an intergovernmental agreement pursuant  
14 to section 15-1747 to manage universities under its jurisdiction subject  
15 to the terms of the reciprocity agreement.

16           O. For the purposes of this section, "university debt and  
17 obligations" means debt and obligations, the principal and interest of  
18 which are paid in whole or in part with university monies.

19           Sec. 7. Repeal

20           Section 15-1626, Arizona Revised Statutes, as amended by Laws 2016,  
21 chapter 130, section 1, is repealed.

22           Sec. 8. Section 20-1106, Arizona Revised Statutes, as added by Laws  
23 1954, chapter 64, article 11, section 6, is amended to read:

24           20-1106. Capacity to contract for insurance: minors

25           A. Any person of competent legal capacity may contract for  
26 insurance.

27           B. A minor ~~not less than~~ WHO IS AT LEAST fifteen years of age as of  
28 ~~his~~ THE MINOR'S nearest birthday may CONTRACT, notwithstanding ~~his~~ THE  
29 MINOR'S minority, ~~contract~~ for life or disability insurance on ~~his~~ THE  
30 MINOR'S own life or body, for ~~his~~ THE MINOR'S own benefit or for the  
31 benefit of ~~his~~ THE MINOR'S father or mother, spouse, child, brother,  
32 sister or grandparents.

33           C. A MINOR WHO IS AT LEAST SIXTEEN YEARS OF AGE AS OF THE MINOR'S  
34 NEAREST BIRTHDAY, WHO IS A FOSTER CHILD AS DEFINED IN SECTION 8-501 OR A  
35 YOUTH PARTICIPATING IN THE INDEPENDENT LIVING PROGRAM PURSUANT TO SECTION  
36 8-521 AND WHO HAS COMPLETED A DRIVER EDUCATION PROGRAM MAY CONTRACT,  
37 NOTWITHSTANDING THE MINOR'S MINORITY, FOR MOTOR VEHICLE LIABILITY  
38 INSURANCE THAT SATISFIES THE REQUIREMENTS OF SECTION 28-4009 AND THAT  
39 COVERS THE MINOR.

40           D. ~~The~~ A minor ~~shall~~ DESCRIBED IN SUBSECTION B OR C OF THIS  
41 SECTION, notwithstanding ~~his~~ THE MINOR'S minority, SHALL be deemed  
42 competent to exercise all rights and powers with respect to or under any  
43 contract of life or disability insurance on ~~his~~ THE MINOR'S own life or  
44 body OR CONTRACT OF MOTOR VEHICLE LIABILITY INSURANCE PURSUANT TO THIS  
45 SECTION, as though of full legal age, and may surrender ~~his~~ THE MINOR'S

1 interest ~~therein~~ **IN THE CONTRACT** and give a valid discharge for any  
2 benefit accruing or money payable ~~thereunder~~ **UNDER THE CONTRACT**. The  
3 minor ~~shall not~~, by reason of his minority, ~~be entitled to~~ **MAY NOT**  
4 rescind, avoid or repudiate the contract, nor ~~to~~ rescind, avoid or  
5 repudiate any exercise of a right or privilege ~~thereunder~~ **UNDER THE**  
6 **CONTRACT**, except that the minor, not otherwise emancipated, ~~shall~~ **MAY** not  
7 be bound by any unperformed agreement to pay, by promissory note or  
8 otherwise, any premium on such an insurance contract.

9 Sec. 9. Repeal

10 Section **20-1106**, Arizona Revised Statutes, as amended by Laws 2017,  
11 chapter 263, section 1, is repealed.

12 Sec. 10. Section 41-3801, Arizona Revised Statutes, as amended by  
13 Laws 2014, chapter 215, section 196, is amended to read:

14 **41-3801. Human rights committee on persons with developmental**  
15 **disabilities**

16 A. The human rights committee on persons with developmental  
17 disabilities is established in the department of economic security to  
18 promote the rights of clients who are receiving developmental disabilities  
19 services from the department pursuant to title 36, chapter 5.1.

20 B. The committee shall be organized pursuant to this section and  
21 the requirements of section 41-3804.

22 C. The director of the department of economic security may  
23 establish additional committees for each district office established  
24 pursuant to section 41-1961 or to oversee the activities of any service  
25 provider.

26 D. Each human rights committee established pursuant to this section  
27 shall consist of at least seven and not more than fifteen members  
28 appointed by the director of the department of economic security with  
29 expertise in at least one of the following areas:

- 30 1. Psychology.
- 31 2. Law.
- 32 3. Medicine.
- 33 4. Education.
- 34 5. Special education.
- 35 6. Social work.
- 36 7. **CRIMINAL JUSTICE.**

37 E. Each human rights committee shall include at least two parents  
38 of children who receive services from the division of developmental  
39 disabilities.

40 **F. THE DIVISION OF DEVELOPMENTAL DISABILITIES SHALL PROVIDE TO EACH**  
41 **HUMAN RIGHTS COMMITTEE INFORMATION REGARDING INCIDENTS OF:**

- 42 1. **POSSIBLE ABUSE OR NEGLECT OR VIOLATIONS OF RIGHTS.**
- 43 2. **PHYSICAL ABUSE, SEXUAL ABUSE AND OTHER ABUSE.**
- 44 3. **ACCIDENTAL INJURY.**
- 45 4. **MISSING CLIENTS.**

- 1           5. BEHAVIORAL EMERGENCY MEASURES.
- 2           6. MEDICATION ERRORS, INCLUDING THEFT OF MEDICATION OR MISSING
- 3 MEDICATION.
- 4           7. DEATH.
- 5           8. SUICIDE ATTEMPTS.
- 6           9. HOSPITALIZATIONS.
- 7           10. INCARCERATIONS.
- 8           11. THEFT OF CLIENT PROPERTY OR MONEY.
- 9           12. PROPERTY DESTRUCTION.
- 10          Sec. 11. Repeal
- 11          Section 41-3801, Arizona Revised Statutes, as amended by Laws 2017,
- 12 chapter 184, section 1, is repealed.
- 13          Sec. 12. Retroactivity
- 14           A. Sections 2, 3, 4, 5, 8, 9, 10 and 11 of this act apply
- 15 retroactively to from and after August 8, 2017.
- 16           B. Sections 6 and 7 of this act apply retroactively to from and
- 17 after June 30, 2018.

APPROVED BY THE GOVERNOR APRIL 30, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2018.