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

## **SENATE BILL 1497**

AN ACT

AMENDING SECTIONS 15-203 AND 15-977, ARIZONA REVISED STATUTES; RELATING TO TEACHER AND PRINCIPAL EVALUATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 15-203, Arizona Revised Statutes, is amended to read:

## 15-203. Powers and duties

- A. The state board of education shall:
- 1. Exercise general supervision over and regulate the conduct of the public school system and adopt any rules and policies it deems necessary to accomplish this purpose.
  - 2. Keep a record of its proceedings.
  - 3. Make rules for its own government.
  - 4. Determine the policy and work undertaken by it.
  - 5. Subject to title 41, chapter 4, article 4, employ staff.
- 6. Prescribe and supervise the duties of its employees pursuant to title 41, chapter 4, article 4, if not otherwise prescribed by statute.
- 7. Delegate to the superintendent of public instruction the execution of board policies and rules.
- 8. Recommend to the legislature changes or additions to the statutes pertaining to schools.
- 9. Prepare, publish and distribute reports concerning the educational welfare of this state.
- 10. Prepare a budget for expenditures necessary for proper maintenance of the board and accomplishment of its purposes and present the budget to the legislature.
  - 11. Aid in the enforcement of laws relating to schools.
- 12. Prescribe a minimum course of study in the common schools, minimum competency requirements for the promotion of pupils from the third grade and minimum course of study and competency requirements for the promotion of pupils from the eighth grade. The state board of education shall prepare a fiscal impact statement of any proposed changes to the minimum course of study or competency requirements and, on completion, shall send a copy to the director of the joint legislative budget committee and the executive director of the school facilities board. The state board of education shall not adopt any changes in the minimum course of study or competency requirements in effect on July 1, 1998 that will have a fiscal impact on school capital costs.
- 13. Prescribe minimum course of study and competency requirements for the graduation of pupils from high school. The state board of education shall prepare a fiscal impact statement of any proposed changes to the minimum course of study or competency requirements and, on completion, shall send a copy to the director of the joint legislative budget committee and the executive director of the school facilities board. The state board of education shall not adopt any changes in the minimum course of study or competency requirements in effect on July 1, 1998 that will have a fiscal impact on school capital costs.

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- 14. Supervise and control the certification of persons engaged in instructional work directly as any classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist, principal or superintendent in a school district, including school district preschool programs, or any other educational institution below the community college, college or university level, and prescribe rules for certification. The rules:
- (a) Shall provide for a variety of alternative teacher administrator preparation programs that allow for variations in program sequence and design to apply for program approval. The state board shall adopt rules pursuant to this subdivision designed to allow for a variety of formats and shall not require a prescribed answer or design from the program provider in order to obtain approval from the state board. Any rules adopted by the state board pursuant to this subdivision shall be substantially different from the rules adopted for the approval of traditional preparation programs and may not unnecessarily restrict a variety of alternative preparation programs from operating and providing instruction in this state. The state board shall evaluate each program provider based on the program's ability to prepare teachers and administrators and to recruit teachers and administrators with a variety of experiences and talents. The state board shall permit universities under the jurisdiction of the Arizona board of regents, community colleges in this state, private postsecondary institutions licensed by this state, school districts, charter schools, professional organizations, nonprofit organizations and private entities to apply for program approval and shall create application procedures and certification criteria that substantially less restrictive than those for traditional preparation programs. At the completion of an alternative preparation program, graduates shall:
- (i) Hold a bachelor's degree from an accredited postsecondary education institution.
- (ii) If applicable, demonstrate professional knowledge and subject knowledge proficiency pursuant to section 15-533.
- (iii) Obtain a fingerprint clearance card pursuant to section 15-534.
- (iv) If applicable, complete training in structured English immersion as prescribed by the state board pursuant to section 15-756.09.
- (v) If applicable, complete training in research-based systematic phonics instruction as prescribed in subdivision (b) of this paragraph.
- (vi) Demonstrate the required proficiency in the Constitutions of the United States and Arizona as prescribed in section 15-532.
- (b) Shall require applicants for all certificates for common school instruction to complete a minimum of forty-five classroom hours or three college level credit hours, or the equivalent, of training in

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44 45 research-based systematic phonics instruction from a public or private provider.

- (c) Shall not require a teacher to obtain a master's degree or to take any additional graduate courses as a condition of certification or recertification.
- (d) Shall allow a general equivalency diploma to be substituted for a high school diploma in the certification of emergency substitute teachers.
- (e) Shall allow but shall not require the superintendent of a school district to obtain certification from the state board of education.
- (f) Shall provide for the issuance of a subject matter expert standard teaching certificate to persons who have expertise in a content area or subject matter. Persons who are certified pursuant to this subdivision shall complete training, if applicable, in structured English immersion as prescribed by the state board pursuant to section 15-756.09. Persons who are certified pursuant to this subdivision are exempt from the subject knowledge proficiency requirements prescribed in section 15-533 and from the proficiency requirements prescribed in section 15-532 on the Constitutions of the United States and Arizona. Persons pursuant WHO ARE SUBJECT to item (i) of this subdivision are also exempt from the professional knowledge proficiency requirements pursuant to section 15-533. A person who obtains a subject matter expert standard teaching certificate pursuant to this subdivision may provide instruction in the person's field of expertise in grades six through twelve at any public school in this state. Issuance of the subject matter expert standard teaching certificate may not be conditioned on the person's employment with a local education agency. A person who meets the requirements of this subdivision shall be issued a subject matter expert standard teaching without having demonstrate to professional proficiency pursuant to section 15-533, except that the person shall have at least two years to demonstrate professional knowledge proficiency pursuant to section 15–533. School districts shall evaluate and provide support pursuant to section 15-537 to teachers certified pursuant to this subdivision. If a person fails to meet the professional knowledge requirements of this section within two years, the department of education or state board of education may temporarily suspend the subject matter expert standard teaching certificate. A certificate that is temporarily suspended pursuant to this subdivision is not considered a disciplinary action and a person shall be allowed to correct the deficiency within the subject time of the matter expert standard certification. This subdivision does not require a person who has obtained another type of teaching certificate from the state board to obtain a subject matter expert standard teaching certificate pursuant to this subdivision in order to provide instruction in grades six through twelve. A person is eligible for a subject matter expert standard

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teaching certificate pursuant to this subdivision if the person obtains a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1 and meets any of the following requirements:

- (i) Has taught courses relevant to a content area or subject matter for the last two consecutive years and for a total of at least three years at one or more regionally or nationally accredited public or private postsecondary institutions. A person shall demonstrate compliance with this requirement by providing the state board with written proof of employment for specific durations from one or more qualifying postsecondary institutions.
- (ii) Has either a baccalaureate degree, a master's degree or a doctoral degree in a specific subject area that is directly relevant to a content area or subject matter taught in public schools.
- (iii) Demonstrates expertise through relevant work experience of at least five years in a field that is relevant to a content area or subject matter taught in public schools. A person shall demonstrate compliance with this requirement by providing the state board with written proof of employment.
- (g) Notwithstanding section 15-533, shall exempt persons applying for a secondary education certificate from the subject knowledge portion of the proficiency examination if the state board determines that the person has work experience in science, technology, engineering or mathematics and can demonstrate adequate knowledge of a particular subject through a postsecondary education degree or twenty-four credit hours of relevant coursework.
- (h) Shall allow for all standard certificates issued to a person pursuant to this section to be both issued and renewed for at least twelve years and may not require more than fifteen hours of continuing education credits each year in order to renew any certificate issued pursuant to this section.
- (i) Shall allow a certificate, and any endorsement or approved area related to that certificate, to be renewed at least two years but not more than ten years after that certificate expires without any other requirements adopted by the state board of education or the department of education if the person is in good standing, has at least ten years of verified full-time experience in this state in the area IN WHICH the person is seeking renewed certification and possesses a valid fingerprint clearance card issued pursuant to section 15-534. A certificate renewed pursuant to this subdivision shall be identical to the expired certificate.
- 15. Adopt a list of approved tests for determining special education assistance to gifted pupils as defined in and as provided in chapter 7, article 4.1 of this title. The adopted tests shall provide separate scores for quantitative reasoning, verbal reasoning and nonverbal

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 reasoning and shall be capable of providing reliable and valid scores at the highest ranges of the score distribution.

- 16. Adopt rules governing the methods for the administration of all proficiency examinations.
- 17. Adopt proficiency examinations for its use. The state board of education shall determine the passing score for the proficiency examinations.
- 18. Include within its budget the cost of contracting for the purchase, distribution and scoring of the examinations as provided in paragraphs 16 and 17 of this subsection.
- 19. Supervise and control the qualifications of professional nonteaching school personnel and prescribe standards relating to qualifications. The standards shall not require the business manager of a school district to obtain certification from the state board of education.
- 20. Impose such disciplinary action, including the issuance of a letter of censure, suspension, suspension with conditions or revocation of a certificate, on a finding of immoral or unprofessional conduct.
- 21. Establish an assessment, data gathering and reporting system for pupil performance as prescribed in chapter 7, article 3 of this title.
- 22. Adopt a rule to promote braille literacy pursuant to section 15-214.
- 23. Adopt rules prescribing procedures for the investigation by the department of education of every written complaint alleging that a certificated person has engaged in immoral conduct.
- 24. For purposes of federal law, serve as the state board for vocational and technological education and meet at least four times each year solely to execute the powers and duties of the state board for vocational and technological education.
- 25. Develop and maintain a handbook for use in the schools of this state that provides guidance for the teaching of moral, civic and ethical education. The handbook shall promote existing curriculum frameworks and shall encourage school districts to recognize moral, civic and ethical values within instructional and programmatic educational development programs for the general purpose of instilling character and ethical principles in pupils in kindergarten programs and grades one through twelve.
- 26. Require pupils to recite the following passage from the declaration of independence for pupils in grades four through six at the commencement of the first class of the day in the schools, except that a pupil shall not be required to participate if the pupil or the pupil's parent or guardian objects:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights,

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governments are instituted among men, deriving their just powers from the consent of the governed. . . .

- 27. Adopt rules that provide for certification reciprocity for certificates issued pursuant to this section. The rules for certification reciprocity shall include a requirement that the applicant possess a comparable valid certification from another state and be in good standing with that other state. An applicant who possesses a valid certification from another state and a fingerprint clearance card pursuant to section 15-534 and who is in good standing with that other state shall be issued a comparable standard certificate without any other requirements from the state board of education or the department of education. A person who is issued a certificate pursuant to this paragraph is not required to meet any requirement prescribed in section 15-533.
- 28. Adopt rules that provide for the presentation of an honorary high school diploma to a person who has never obtained a high school diploma and who meets both of the following requirements:
  - (a) Currently resides in this state.
- (b) Provides documented evidence from the department of veterans' services that the person enlisted in the armed forces of the United States and served in World War I, World War II, the Korean conflict or the Vietnam conflict.
- 29. Cooperate with the Arizona-Mexico commission in the governor's office and with researchers at universities in this state to collect data and conduct projects in the United States and Mexico on issues that are within the scope of the duties of the department of education and that relate to quality of life, trade and economic development in this state in a manner that will help the Arizona-Mexico commission to assess and enhance the economic competitiveness of this state and of the Arizona-Mexico region.
- 30. Adopt rules to define and provide guidance to schools as to the activities that would constitute immoral or unprofessional conduct of certificated persons.
- 31. Adopt guidelines to encourage pupils in grades nine, ten, eleven and twelve to volunteer for twenty hours of community service before graduation from high school. A school district that complies with the guidelines adopted pursuant to this paragraph is not liable for damages resulting from a pupil's participation in community service unless the school district is found to have demonstrated wanton or reckless disregard for the safety of the pupil and other participants in community service. For the purposes of this paragraph, "community service" may include service learning. The guidelines shall include the following:
- (a) A list of the general categories in which community service may be performed.
- (b) A description of the methods by which community service will be monitored.

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- (c) A consideration of risk assessment for community service projects.
- (d) Orientation and notification procedures of community service opportunities for pupils entering grade nine, including the development of a notification form. The notification form shall be signed by the pupil and the pupil's parent or guardian, except that a pupil shall not be required to participate in community service if the parent or guardian notifies the principal of the pupil's school in writing that the parent or guardian does not wish the pupil to participate in community service.
- (e) Procedures for a pupil in grade nine to prepare a written proposal that outlines the type of community service that the pupil would like to perform and the goals that the pupil hopes to achieve as a result of community service. The pupil's written proposal shall be reviewed by a faculty advisor, a guidance counselor or any other school employee who is designated as the community service program coordinator for that school. The pupil may alter the written proposal at any time before performing community service.
- (f) Procedures for a faculty advisor, a guidance counselor or any other school employee who is designated as the community service program coordinator to evaluate and certify the completion of community service performed by pupils.
- 32. To facilitate the transfer of military personnel and their dependents to and from the public schools of this state, pursue, in cooperation with the Arizona board of regents, reciprocity agreements with other states concerning the transfer credits for military personnel and their dependents. A reciprocity agreement entered into pursuant to this paragraph shall:
  - (a) Address procedures for each of the following:
  - (i) The transfer of student records.
  - (ii) Awarding credit for completed coursework.
- (iii) Permitting a student to satisfy the graduation requirements prescribed in section 15-701.01 through the successful performance on comparable exit-level assessment instruments administered in another state.
- (b) Include appropriate criteria developed by the state board of education and the Arizona board of regents.
- 33. Adopt guidelines that school district governing boards shall use in identifying pupils who are eligible for gifted programs and in providing gifted education programs and services. The state board of education shall adopt any other guidelines and rules that it deems necessary in order to carry out the purposes of chapter 7, article 4.1 of this title.
- 34. For each of the alternative textbook formats of human-voiced audio, large-print and braille, designate alternative media producers to adapt existing standard print textbooks or to provide specialized

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textbooks, or both, for pupils with disabilities in this state. Each alternative media producer shall be capable of producing alternative textbooks in all relevant subjects in at least one of the alternative textbook formats. The board shall post the designated list of alternative media producers on its website.

- 35. Adopt a list of approved professional development training providers for use by school districts as provided in section 15-107, subsection J. The professional development training providers shall meet the training curriculum requirements determined by the state board of education in at least the areas of school finance, governance, employment, staffing, inventory and human resources, internal controls and procurement.
- 36. Adopt rules to prohibit a person who violates the notification requirements prescribed in section 15-183, subsection C, paragraph 8 or section 15-550, subsection C from certification pursuant to this title until the person is no longer charged or is acquitted of any offenses listed in section 41-1758.03, subsection B. The board shall also adopt rules to prohibit a person who violates the notification requirements, certification surrender requirements or fingerprint clearance card surrender requirements prescribed in section 15-183, subsection C, paragraph 9 or section 15-550, subsection D from certification pursuant to this title for at least ten years after the date of the violation.
- 37. Adopt rules for the alternative certification of teachers of nontraditional foreign languages that allow for the passing of a nationally accredited test to substitute for the education coursework required for certification.
- 38. Adopt and maintain a model framework for a teacher principal evaluation instrument DESIGNED TO IMPROVE PRINCIPAL AND TEACHER PERFORMANCE AND IMPROVE STUDENT ACHIEVEMENT that includes quantitative data on student THE academic progress FOR ALL STUDENTS AND that accounts for between thirty-three TWENTY percent and fifty FORTY percent of the evaluation outcomes. THE QUANTITATIVE DATA ON STUDENT ACADEMIC PROGRESS SHALL BE VALID AND RELIABLE AND DIRECTLY ATTRIBUTABLE TO THE TEACHER BEING EVALUATED. THE FRAMEWORK SHALL ALLOW FOR STUDENTS WHO WERE NOT ENROLLED IN A SCHOOL FOR A FULL ACADEMIC YEAR TO BE EXCLUDED FROM THE STUDENT ACADEMIC PROGRESS DATA. QUANTITATIVE DATA ASSOCIATED WITH THE STATEWIDE ASSESSMENT PURSUANT TO SECTION 15-741 IS NOT REQUIRED TO BE INCLUDED AS PART OF THE EVALUATION FOR TEACHERS WHO INSTRUCT STUDENTS IN CONTENT AREAS THAT ARE TESTED BY THE STATEWIDE ASSESSMENT. QUANTITATIVE DATA ASSOCIATED WITH THE STATEWIDE ASSESSMENT PURSUANT TO SECTION 15-741 MAY NOT BE PART OF THE EVALUATION FOR TEACHERS WHO DO NOT INSTRUCT STUDENTS IN CONTENT AREAS THAT ARE TESTED BY THE STATEWIDE ASSESSMENT. A SCHOOL DISTRICT OR CHARTER SCHOOL THAT CHOOSES TO HAVE QUANTITATIVE DATA ASSOCIATED WITH THE STATEWIDE ASSESSMENT INCLUDED AS PART OF THE EVALUATION FRAMEWORK SHALL ENSURE THAT TEACHERS WHO INSTRUCT STUDENTS IN SOCIAL STUDIES, ENGLISH

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LANGUAGE ARTS, MATHEMATICS AND SCIENCE COLLABORATE TO IMPROVE STUDENT ACADEMIC PROGRESS ON THE STATEWIDE ASSESSMENT. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY DETERMINE THE PORTION OF THE QUANTITATIVE DATA ON ACADEMIC PROGRESS THAT ΙS ASSOCIATED WITH THE STATEWIDE ASSESSMENT. THE PORTION OF THE EVALUATION THAT IS ASSOCIATED WITH QUANTITATIVE DATA ON STUDENT ACADEMIC PROGRESS SHALL INCLUDE MULTIPLE MEASURES OF STUDENT ACADEMIC PROGRESS. THE FRAMEWORK SHALL ALSO INCLUDE TEACHER OBSERVATIONS THAT ACCOUNT FOR BETWEEN SIXTY PERCENT AND EIGHTY PERCENT AND THAT INCLUDE PERFORMANCE COMPONENTS BY OBSERVING THE CLASSROOM ENVIRONMENT, INSTRUCTIONAL PRACTICES, PROFESSIONAL RESPONSIBILITIES AND PLANNING AND PREPARATION OF THE TEACHER. The framework shall include four performance classifications, designated as highly effective, effective, developing and ineffective, and guidelines for school districts and charter schools to use in their evaluation instruments. The state board of education shall adopt best practices for professional development and evaluator training. The state board of education may periodically make adjustments to align the model framework for teacher and principal evaluations with assessment or data changes at the state level. districts and charter schools shall use an instrument that meets the data requirements established by the state board of education to annually evaluate individual teachers and principals. School districts and charter schools shall adopt definitions for the performance classifications adopted by the state board of education in a public meeting and apply the performance classifications to their evaluation instruments in a manner designed to improve principal and teacher performance. For charter holders, the principal evaluation instrument applies to each charter school's instructional leader whose primary responsibility is to oversee the academic performance of the charter school. This paragraph does not apply to an officer, director, member or partner of the charter holder. The school district governing board shall discuss at a public meeting at least annually its aggregate performance classifications of principals and teachers. FOR THE PURPOSES OF THIS PARAGRAPH, "STUDENT ACADEMIC PROGRESS":

- (a) MEANS MEASUREMENTS OF THE STUDENT'S LEARNING OF GRADE-LEVEL CONTENT STANDARDS THAT INCLUDE THE AMOUNT OF ACADEMIC GROWTH THAT THE STUDENT DEMONSTRATES AND THE STUDENT'S OVERALL ACADEMIC PROFICIENCY. THESE MEASUREMENTS INCLUDE STATE-ADMINISTERED ASSESSMENTS, VALID AND RELIABLE CLASSROOM LEVEL DATA, LOCAL EDUCATION AGENCY-ADMINISTERED BENCHMARK ASSESSMENTS AND FORMATIVE OR SUMMATIVE ASSESSMENTS.
- (b) DOES NOT EXCLUDE OTHER QUANTITATIVE DATA AND METRICS THAT ARE AVAILABLE TO EVALUATE A STUDENT'S ACADEMIC PROGRESS.
- 39. Adopt rules to define competency-based educational pathways for college and career readiness that may be used by schools. The rules shall include the following components:

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- (a) The establishment of learning outcomes that will be expected for students in a particular subject.
- (b) A process and criteria by which assessments may be identified or established to determine if students have reached the desired competencies in a particular subject.
- (c) A mechanism to allow pupils in grades seven through twelve who have demonstrated competency in a subject to immediately obtain credit for the mastery of that subject. The rules shall include a list of applicable subjects, including the level of competency required for each subject.
- 40. In consultation with the department of health services, the department of education, medical professionals, school health professionals, school administrators and an organization that represents school nurses in this state, adopt rules that prescribe the following for school districts and charter schools:
- (a) Annual training in the administration of auto-injectable epinephrine, as directed on the prescription protocol, for designated medical and nonmedical school personnel. The annual training prescribed in this subdivision is optional during any fiscal year in which sufficient monies are not appropriated by the legislature during that fiscal year to provide for the purchase of two juvenile doses and two adult doses of epinephrine auto-injectors at each public school in this state and if the school does not stock two juvenile doses and two adult doses of epinephrine auto-injectors at the school during that fiscal year.
- (b) Annual training for all school site personnel on the recognition of anaphylactic shock symptoms and the procedures to follow when anaphylactic shock occurs, following the national guidelines of the American academy of pediatrics. The annual training prescribed in this subdivision is optional during any fiscal year in which sufficient monies are not appropriated by the legislature during that fiscal year to provide for the purchase of two juvenile doses and two adult doses of epinephrine auto-injectors at each public school in this state and if the school does not stock two juvenile doses and two adult doses of epinephrine auto-injectors at the school during that fiscal year.
- (c) Procedures for the administration of epinephrine auto-injectors in emergency situations, as directed on the prescription protocol.
- (d) Procedures for annually requesting a standing order for epinephrine auto-injectors pursuant to section 15-157 from the chief medical officer of the department of health services, the chief medical officer of a county health department, a doctor of medicine licensed pursuant to title 32, chapter 13 or a doctor of osteopathic medicine licensed pursuant to title 32, chapter 17.
- (e) Procedures for reporting the use of epinephrine auto-injectors to the department of health services.
- 41. In consultation with the department of education, medical professionals, school health professionals, school administrators and an

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 organization that represents school nurses in this state, adopt rules that prescribe the following for school districts and charter schools that elect to administer inhalers:

- (a) Annual training in the recognition of respiratory distress symptoms and the procedures to follow when respiratory distress occurs, in accordance with good clinical practice, and the administration of inhalers, as directed on the prescription protocol, by designated medical and nonmedical school personnel.
- (b) Requirements for school districts and charter schools that elect to administer inhalers to designate at least two employees at each school to be trained in the recognition of respiratory distress symptoms and the procedures to follow when respiratory distress occurs, in accordance with good clinical practice, and at least two employees at each school to be trained in the administration of inhalers, as directed on the prescription protocol.
- (c) Procedures for the administration of inhalers in emergency situations, as directed on the prescription protocol.
- (d) Procedures for annually requesting a standing order for inhalers and spacers or holding chambers pursuant to section 15-158 from the chief medical officer of a county health department, a physician licensed pursuant to title 32, chapter 13 or 17 or a nurse practitioner licensed pursuant to title 32, chapter 15.
- (e) Procedures for notifying a parent once an inhaler has been administered.
  - B. The state board of education may:
  - 1. Contract.
  - 2. Sue and be sued.
- 3. Distribute and score the tests prescribed in chapter 7, article 3 of this title.
- 4. Provide for an advisory committee to conduct hearings and screenings to determine whether grounds exist to impose disciplinary action against a certificated person, whether grounds exist to reinstate a revoked or surrendered certificate and whether grounds exist to approve or deny an initial application for certification or a request for renewal of a certificate. The board may delegate its responsibility to conduct hearings and screenings to its advisory committee. Hearings shall be conducted pursuant to title 41, chapter 6, article 6.
- 5. Proceed with the disposal of any complaint requesting disciplinary action or with any disciplinary action against a person holding a certificate as prescribed in subsection A, paragraph 14 of this section after the suspension or expiration of the certificate or surrender of the certificate by the holder.
- 6. Assess costs and reasonable attorney fees against a person who files a frivolous complaint or who files a complaint in bad faith. Costs

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44 45 assessed pursuant to this paragraph shall not exceed the expenses incurred by the department of education in the investigation of the complaint.

C. Placement decisions of teaching intern certificate holders issued pursuant to subsection A, paragraph 14, subdivision (a) of this section and section 15-552 shall be based on agreements between the teacher preparation provider, the provider's partner organizations and the local education agency. The practices of the department of education and the rules and policies of the state board of education may not restrict placement of teaching intern certification holders based on local education agency instructional models and may only consider the academic quality of the school, the effectiveness of the teaching intern certification holder's on-site mentor and the opportunity for a wide variety of schools and school models to access teaching intern certification holders.

Sec. 2. Section 15-977, Arizona Revised Statutes, is amended to read:

## 15-977. Classroom site fund; definitions

A. The classroom site fund is established consisting of monies transferred to the fund pursuant to section 37-521, subsection B and section 42-5029, subsection E, paragraph 10. The department of education shall administer the fund. School districts and charter schools may not supplant existing school site funding with revenues from the fund. All monies distributed from the fund are intended for use at the school site. Each school district or charter school shall allocate forty percent of the monies for teacher compensation increases based on performance and employment related ASSOCIATED EMPLOYMENT-RELATED expenses DIRECTLY ATTRIBUTABLE TO THE INCREASED COMPENSATION BASED ON PERFORMANCE, twenty percent of the monies for teacher base salary increases and employment related EMPLOYMENT-RELATED expenses and forty percent of the monies for maintenance and operation purposes as prescribed in subsection H of this section. Teacher compensation increases based on performance or teacher base salary increases distributed pursuant to this subsection shall supplement, and not supplant, teacher compensation monies from any other sources. The school district or charter school shall notify each school principal of the amount available to the school by April 15 of each year. The district or charter school shall request from the school's principal each school's priority for the allocation of the funds available to the school for each program listed under subsection H of this section. The amount budgeted by the school district or charter school pursuant to this section shall not be included in the allowable budget balance carryforward calculated pursuant to section 15-943.01.

B. A school district governing board must adopt a performance based compensation system at a public hearing to allocate funding from the classroom site fund pursuant to subsection A of this section. Individual teacher performance as measured by the teacher's performance

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classification pursuant to section 15-203, subsection A, paragraph 38 shall be a component of the school district's portion of the forty percent allocation for teacher compensation based on performance and employment related expenses.

- C. A school district governing board shall vote on a performance based compensation system that includes:
  - 1. BOTH OF the following elements:
  - 1. (a) School district performance and school performance.
- 2. (b) Individual teacher performance as measured by the teacher's performance classification pursuant to section 15-203, subsection A, paragraph 38. The individual teacher performance component shall account for thirty-three percent of the forty percent allocation for teacher compensation based on performance and employment related expenses.
  - 2. AT LEAST FOUR OF THE FOLLOWING ADDITIONAL ELEMENTS:
- 3. (a) Measures of academic progress toward the academic standards adopted by the state board of education.
  - 4. (b) Other measures of academic progress.
  - 5. (c) Dropout or graduation rates FOR STUDENTS IN HIGH SCHOOL.
  - 6. (d) Attendance rates.
  - 7. (e) Ratings of school quality by parents.
  - 8. (f) Ratings of school quality by students.
  - 9. (g) The input of teachers and administrators.
- 10. (h) Approval of the performance based compensation system based on an affirmative vote of at least seventy percent of the teachers eligible to participate in the performance based compensation system.
- $\frac{11.}{10.0}$  (i) An appeals process for teachers who have been denied performance based compensation.
- 12. (j) Regular evaluation for effectiveness, which shall comply with section 15-203, subsection A, paragraph 38.
- D. A performance based compensation system shall include teacher professional development programs that are aligned with the elements of the performance based compensation system.
- E. A school district governing board may modify the elements contained in subsection C of this section and consider additional elements when adopting a performance based compensation system. A school district governing board shall adopt any modifications or additional elements and specify the criteria used at a public hearing.
- F. Until December 31, 2009, Each school district shall develop an assessment plan for its performance based compensation system and submit the plan to the department of education by December 31 of each year. A copy of the performance based compensation system and assessment plan adopted by the school district governing board shall be included in the report submitted to AVAILABLE ON THE WEBSITE OF the department of education.

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- G. Monies in the fund are continuously appropriated, are exempt from the provisions of section 35-190 relating to lapsing of appropriations and shall be distributed as follows:
- 1. By March 30 of each year, the staff of the joint legislative budget committee shall determine a per pupil amount from the fund for the budget year using the estimated statewide weighted count for the current year pursuant to section 15-943, paragraph 2, subdivision (a) and based on estimated available resources in the classroom site fund for the budget year adjusted for any prior year carryforward or shortfall.
- 2. The allocation to each charter school and school district for a fiscal year shall equal the per pupil amount established in paragraph 1 of this subsection for the fiscal year multiplied by the weighted student count for the school district or charter school for the fiscal year pursuant to section 15-943, paragraph 2, subdivision (a). For the purposes of this paragraph, the weighted student count for a school district that serves as the district of attendance for nonresident pupils shall be increased to include nonresident pupils who attend school in the school district.
- H. Monies distributed from the classroom site fund shall be spent for the following maintenance and operation purposes:
  - 1. Class size reduction.
  - 2. Teacher compensation increases.
  - 3. Assessment intervention programs.
  - 4. Teacher development.
  - 5. Dropout prevention programs.
  - 6. Teacher liability insurance premiums.
- I. The district governing board or charter school shall allocate the classroom site fund monies to include, wherever possible, the priorities identified by the principals of the schools while assuring that the funds maximize classroom opportunities and conform to the authorized expenditures identified in subsection A of this section.
- J. School districts and charter schools that receive monies from the classroom site fund shall submit a report by November 15 of each year to the superintendent of public instruction that provides an accounting of the expenditures of monies distributed from the fund during the previous fiscal year and a summary of the results of district and school programs funded with monies distributed from the fund. The department of education in conjunction with the auditor general shall prescribe the format of the report under this subsection.
- K. School districts and charter schools that receive monies from the classroom site fund shall receive these monies monthly in an amount not to exceed one-twelfth of the monies estimated pursuant to subsection G of this section, except that if there are insufficient monies in the fund that month to make payments, the distribution for that month shall be prorated for each school district or charter school. The department of

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 education may make an additional payment in the current month for any prior month or months in which school districts or charter schools received a prorated payment if there are sufficient monies in the fund that month for the additional payments. The state is not required to make payments to a school district or charter school classroom site fund if the state classroom site fund revenue collections are insufficient to meet the estimated allocations to school districts and charter schools pursuant to subsection G of this section.

- L. The state education system for committed youth shall receive monies from the classroom site fund in the same manner as school districts and charter schools. The Arizona state schools for the deaf and the blind shall receive monies from the classroom site fund in an amount that corresponds to the weighted student count for the current year pursuant to section 15-943, paragraph 2, subdivision (b) for each pupil enrolled in the Arizona state schools for the deaf and the blind. Except as otherwise provided in this subsection, the Arizona state schools for the deaf and the blind and the state education system for committed youth are subject to this section in the same manner as school districts and charter schools.
- M. Each school district and charter school, including school districts that unify pursuant to section 15-448 or consolidate pursuant to section 15-459, shall establish a local level classroom site fund to receive allocations from the state level classroom site fund. The local level classroom site fund shall be a budgetary controlled account. Interest charges for any registered warrants for the local level classroom site fund shall be a charge against the local level classroom site fund. Interest earned on monies in the local level classroom site fund shall be added to the local level classroom site fund as provided in section 15-978. This state shall not be required to make payments to a school district or charter school local level classroom site fund that are in addition to monies transferred to the state level classroom site fund pursuant to section 37-521, subsection B and section 42-5029, subsection E, paragraph 10.
- N. Monies distributed from the classroom site fund for class size reduction, assessment intervention and dropout prevention programs shall only be used for instructional purposes in the instruction function as defined in the uniform system of financial records, except that monies shall not be used for school-sponsored athletics.
  - O. For the purposes of this section:
- 1. "Assessment intervention" means summer programs, after school programs, before school programs or tutoring programs that are specifically designed to ensure that pupils meet the Arizona academic standards as measured by the statewide assessment prescribed by section 15-741.

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- 2. "Class size reduction" means any maintenance and operations expenditure that is designed to reduce the ratio of pupils to classroom teachers, including the use of persons who serve as aides to classroom teachers.
- 3. "EMPLOYMENT-RELATED EXPENSES" MEANS THE EXPENSES FOR WHICH THE SCHOOL DISTRICT OR CHARTER SCHOOL IS RESPONSIBLE AS AN EMPLOYER AND THAT INCLUDE ONLY CONTRIBUTIONS FOR THE FEDERAL INSURANCE CONTRIBUTIONS ACT, RETIREMENT, HEALTH INSURANCE, UNEMPLOYMENT COMPENSATION INSURANCE AND WORKERS' COMPENSATION INSURANCE.

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