

House Engrossed

schools; operation; improvements

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

# HOUSE BILL 2808

## AN ACT

AMENDING SECTIONS 15-183, 15-241, 15-241.01, 15-241.02 AND 41-5702, ARIZONA REVISED STATUTES; REPEALING SECTION 41-5841, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 56, ARTICLE 10, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 41-5841; AMENDING TITLE 41, CHAPTER 56, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 12; APPROPRIATING MONIES; RELATING TO SCHOOL OPERATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 15-183, Arizona Revised Statutes, is amended to  
3 read:

4 15-183. Charter schools; application; requirements; immunity;  
5 exemptions; renewal of application; reprisal; fee;  
6 funds; annual reports

7 A. An applicant seeking to establish a charter school shall apply  
8 in writing to a proposed sponsor as prescribed in subsection C of this  
9 section. The application, application process and application time frames  
10 shall be posted on the sponsor's website and shall include the following,  
11 as specified in the application adopted by the sponsor:

- 12 1. A detailed educational plan.
- 13 2. A detailed business plan.
- 14 3. A detailed operational plan.
- 15 4. Any other materials required by the sponsor.

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

19 C. The sponsor of a charter school may be either the state board of  
20 education, the state board for charter schools, a university under the  
21 jurisdiction of the Arizona board of regents, a community college district  
22 or a group of community college districts, subject to the following  
23 requirements:

24 1. An applicant may not apply for sponsorship to any person or  
25 entity other than those prescribed in this subsection.

26 2. The applicant may apply to the state board of education or the  
27 state board for charter schools. Notwithstanding any other law, neither  
28 the state board for charter schools nor the state board of education shall  
29 grant a charter to a school district governing board for a new charter  
30 school or for the conversion of an existing district public school to a  
31 charter school. The state board of education or the state board for  
32 charter schools may approve the application if the application meets the  
33 requirements of this article and may approve the charter if the proposed  
34 sponsor determines, within its sole discretion, that the applicant is  
35 sufficiently qualified to operate a charter school and that the applicant  
36 is applying to operate as a separate charter holder by considering factors  
37 such as whether:

38 (a) The schools have separate governing bodies, governing body  
39 membership, staff, facilities and student population.

40 (b) Daily operations are carried out by different administrators.

41 (c) The applicant intends to have an affiliation agreement for the  
42 purpose of providing enrollment preferences.

43 (d) The applicant's charter management organization has multiple  
44 charter holders serving varied grade configurations on one physical site  
45 or nearby sites serving one community.

1       (e) The applicant is reconstituting an existing school site  
2 population at the same or new site.

3       (f) The applicant is reconstituting an existing grade configuration  
4 from a prior charter holder with at least one grade remaining on the  
5 original site with the other grade or grades moving to a new site. The  
6 state board of education or the state board for charter schools may  
7 approve any charter schools transferring charters. If the state board of  
8 education or the state board for charter schools rejects the preliminary  
9 application, the state board of education or the state board for charter  
10 schools shall notify the applicant in writing of the reasons for the  
11 rejection and of suggestions for improving the application. An applicant  
12 may submit a revised application for reconsideration by the state board of  
13 education or the state board for charter schools. The applicant may  
14 request, and the state board of education or the state board for charter  
15 schools may provide, technical assistance to improve the application.

16      3. The applicant may submit the application to a university under  
17 the jurisdiction of the Arizona board of regents, a community college  
18 district or a group of community college districts. A university, a  
19 community college district or a group of community college districts shall  
20 not grant a charter to a school district governing board for a new charter  
21 school or for the conversion of an existing district public school to a  
22 charter school. A university, a community college district or a group of  
23 community college districts may approve the application if it meets the  
24 requirements of this article and if the proposed sponsor determines, in  
25 its sole discretion, that the applicant is sufficiently qualified to  
26 operate a charter school.

27      4. Each applicant seeking to establish a charter school shall  
28 submit a full set of fingerprints to the approving agency for the purpose  
29 of obtaining a state and federal criminal records check pursuant to  
30 section 41-1750 and Public Law 92-544. If an applicant will have direct  
31 contact with students, the applicant shall possess a valid fingerprint  
32 clearance card that is issued pursuant to title 41, chapter 12,  
33 article 3.1. The department of public safety may exchange this  
34 fingerprint data with the federal bureau of investigation. The criminal  
35 records check shall be completed before the issuance of a charter.

36      5. All persons engaged in instructional work directly as a  
37 classroom, laboratory or other teacher or indirectly as a supervisory  
38 teacher, speech therapist or principal shall have a valid fingerprint  
39 clearance card that is issued pursuant to title 41, chapter 12,  
40 article 3.1, unless the person is a volunteer or guest speaker who is  
41 accompanied in the classroom by a person with a valid fingerprint  
42 clearance card. A charter school shall not employ in any position that  
43 requires a valid fingerprint clearance card a person against whom the  
44 state board of education has taken disciplinary action as prescribed in  
45 section 15-505 or whose certificate has been suspended, surrendered or

1 revoked, unless the person's certificate has been subsequently reinstated  
2 by the state board of education. All other personnel shall be fingerprint  
3 checked pursuant to section 15-512, or the charter school may require  
4 those personnel to obtain a fingerprint clearance card issued pursuant to  
5 title 41, chapter 12, article 3.1. Before employment, the charter school  
6 shall make documented, good faith efforts to contact previous employers of  
7 a person to obtain information and recommendations that may be relevant to  
8 the person's fitness for employment as prescribed in section 15-512,  
9 subsection F, including checking the educator information system that is  
10 maintained by the department of education pursuant to section 15-505. The  
11 charter school shall notify the department of public safety if the charter  
12 school or sponsor receives credible evidence that a person who possesses a  
13 valid fingerprint clearance card is arrested for or is charged with an  
14 offense listed in section 41-1758.03, subsection B. A person who is  
15 employed at a charter school that has met the requirements of this  
16 paragraph is not required to meet any additional requirements that are  
17 established by the department of education or that may be established by  
18 rule by the state board of education. The state board of education may  
19 not adopt rules that exceed the requirements for persons who are qualified  
20 to teach in charter schools prescribed in title I of the every student  
21 succeeds act (P.L. 114-95) or the individuals with disabilities education  
22 improvement act of 2004 (P.L. 108-446). Charter schools may hire  
23 personnel who have not yet received a fingerprint clearance card if proof  
24 is provided of the submission of an application to the department of  
25 public safety for a fingerprint clearance card and if the charter school  
26 that is seeking to hire the applicant does all of the following:

27 (a) Documents in the applicant's file the necessity for hiring and  
28 placing the applicant before the applicant receives a fingerprint  
29 clearance card.

30 (b) Ensures that the department of public safety completes a  
31 statewide criminal records check on the applicant. A statewide criminal  
32 records check shall be completed by the department of public safety every  
33 one hundred twenty days until the date that the fingerprint check is  
34 completed or the fingerprint clearance card is issued or denied.

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

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

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

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

1       6. A charter school that complies with the fingerprinting  
2 requirements of this section shall be deemed to have complied with section  
3 15-512 and is entitled to the same rights and protections provided to  
4 school districts by section 15-512.

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

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

20      9. A person who is employed by a charter school and who is  
21 convicted of any nonappealable offense listed in section 41-1758.03,  
22 subsection B or is convicted of any nonappealable offense that amounts to  
23 unprofessional conduct under section 15-550 shall immediately do all of  
24 the following:

25       (a) Surrender any certificates issued by the department of  
26 education.

27       (b) Notify the person's employer or potential employer of the  
28 conviction.

29       (c) Notify the department of public safety of the conviction.

30       (d) Surrender the person's fingerprint clearance card.

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

37      E. The charter of a charter school shall do all of the following:

38       1. Ensure compliance with federal, state and local rules,  
39 regulations and statutes relating to health, safety, civil rights and  
40 insurance. The department of education shall publish a list of relevant  
41 rules, regulations and statutes to notify charter schools of their  
42 responsibilities under this paragraph.

43       2. Ensure that it is nonsectarian in its programs, admission  
44 policies and employment practices and all other operations.

1       3. Ensure that it provides a comprehensive program of instruction  
2 for at least a kindergarten program or any grade between grades one and  
3 twelve, except that a school may offer this curriculum with an emphasis on  
4 a specific learning philosophy or style or certain subject areas such as  
5 mathematics, science, fine arts, performance arts or foreign language.

6       4. Ensure that it designs a method to measure pupil progress toward  
7 the pupil outcomes adopted by the state board of education pursuant to  
8 section 15-741.01, including participation in the statewide assessment and  
9 the nationally standardized norm-referenced achievement test as designated  
10 by the state board and the completion and distribution of an annual report  
11 card as prescribed in chapter 7, article 3 of this title.

12      5. Ensure that, except as provided in this article and in its  
13 charter, it is exempt from all statutes and rules relating to schools,  
14 governing boards and school districts.

15      6. Ensure that, except as provided in this article, it is subject  
16 to the same financial and electronic data submission requirements as a  
17 school district, including the uniform system of financial records as  
18 prescribed in chapter 2, article 4 of this title, procurement rules as  
19 prescribed in section 15-213 and audit requirements. The auditor general  
20 shall conduct a comprehensive review and revision of the uniform system of  
21 financial records to ensure that the provisions of the uniform system of  
22 financial records that relate to charter schools are in accordance with  
23 commonly accepted accounting principles used by private business. A  
24 school's charter may include exceptions to the requirements of this  
25 paragraph that are necessary as determined by the university, the  
26 community college district, the group of community college districts, the  
27 state board of education or the state board for charter schools. The  
28 department of education or the office of the auditor general may conduct  
29 financial, program or compliance audits.

30      7. Ensure compliance with all federal and state laws relating to  
31 the education of children with disabilities in the same manner as a school  
32 district.

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

39      9. Ensure that it provides a minimum of one hundred eighty  
40 instructional days before June 30 of each fiscal year unless it is  
41 operating on an alternative calendar approved by its sponsor. The  
42 superintendent of public instruction shall adjust the apportionment  
43 schedule accordingly to accommodate a charter school utilizing an  
44 alternative calendar.

1       F. A charter school shall keep in the personnel file of each  
2 current employee who provides instruction to pupils at the charter school  
3 information about the employee's educational and teaching background and  
4 experience in a particular academic content subject area. A charter  
5 school shall inform parents and guardians of the availability of the  
6 information and shall make the information available for inspection on  
7 request of parents and guardians of pupils enrolled at the charter school.  
8 This subsection does not require any charter school to release personally  
9 identifiable information in relation to any teacher or employee, including  
10 the teacher's or employee's address, salary, social security number or  
11 telephone number.

12      G. The charter of a charter school may be amended at the request of  
13 the governing body of the charter school and on the approval of the  
14 sponsor.

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

16      I. The charter is effective for fifteen years from the first day of  
17 the fiscal year as specified in the charter, subject to the following:

18       1. At least eighteen months before ~~the~~ the charter expires, the  
19 sponsor shall notify the charter school that the charter school may apply  
20 for renewal and shall make the renewal application available to the  
21 charter school. A charter school that elects to apply for renewal shall  
22 file a complete renewal application at least fifteen months before the  
23 charter expires. A sponsor shall give written notice of its intent not to  
24 renew the charter school's request for renewal to the charter school at  
25 least twelve months before the expiration of the charter. The sponsor  
26 shall make data used in making renewal decisions available to the school  
27 and the public and shall provide a public report summarizing the evidence  
28 basis for each decision. The sponsor may deny the request for renewal if,  
29 in its judgment, the charter holder has failed to do any of the following:

30       (a) Meet or make sufficient progress toward the academic  
31 performance expectations set forth in the performance framework.

32       (b) Meet the operational performance expectations set forth in the  
33 performance framework or any improvement plans.

34       (c) Meet the financial performance expectations set forth in the  
35 performance framework or any improvement plans.

36       (d) Complete the obligations of the contract.

37       (e) Comply with this article or any provision of law from which the  
38 charter school is not exempt.

39       2. A charter operator may apply for early renewal. At least nine  
40 months before the charter school's intended renewal consideration, the  
41 operator of the charter school shall submit a letter of intent to the  
42 sponsor to apply for early renewal. The sponsor shall review fiscal  
43 audits and academic performance data for the charter school that are  
44 annually collected by the sponsor, review the current contract between the  
45 sponsor and the charter school and provide the qualifying charter school

1 with a renewal application. On submission of a complete application, the  
2 sponsor shall give written notice of its consideration of the renewal  
3 application. The sponsor may deny the request for early renewal if, in  
4 the sponsor's judgment, the charter holder has failed to do any of the  
5 following:

6 (a) Meet or make sufficient progress toward the academic  
7 performance expectations set forth in the performance framework.

8 (b) Meet the operational performance expectations set forth in the  
9 performance framework or any improvement plans.

10 (c) Meet the financial performance expectations set forth in the  
11 performance framework or any improvement plans.

12 (d) Complete the obligations of the contract.

13 (e) Comply with this article or any provision of law from which the  
14 charter school is not exempt.

15 3. A sponsor shall review a charter at five-year intervals using a  
16 performance framework adopted by the sponsor and may revoke a charter at  
17 any time if the charter school breaches one or more provisions of its  
18 charter or if the sponsor determines that the charter holder has failed to  
19 do any of the following:

20 (a) Meet or make sufficient progress toward the academic  
21 performance expectations set forth in the performance framework.

22 (b) Meet the operational performance expectations set forth in the  
23 performance framework or any improvement plans.

24 (c) Meet the financial performance expectations set forth in the  
25 performance framework or any improvement plans.

26 (d) Comply with this article or any provision of law from which the  
27 charter school is not exempt.

28 4. In determining whether to renew or revoke a charter holder, the  
29 sponsor must consider making sufficient progress toward the academic  
30 performance expectations set forth in the sponsor's performance framework  
31 as one of the most important factors.

32 5. At least sixty days before the effective date of the proposed  
33 revocation, the sponsor shall give written notice to the operator of the  
34 charter school of its intent to revoke the charter. Notice of the  
35 sponsor's intent to revoke the charter shall be delivered personally to  
36 the operator of the charter school or sent by certified mail, return  
37 receipt requested, to the address of the charter school. The notice shall  
38 incorporate a statement of reasons for the proposed revocation of the  
39 charter. The sponsor shall allow the charter school at least sixty days  
40 to correct the problems associated with the reasons for the proposed  
41 revocation of the charter. The final determination of whether to revoke  
42 the charter shall be made at a public hearing called for that purpose.

43 J. The charter may be renewed for successive periods of twenty  
44 years.

1       K. EXCEPT AS OTHERWISE ALLOWED AND REQUIRED UNDER LAW, a charter  
2 school that is sponsored by the state board of education, the state board  
3 for charter schools, a university, a community college district or a group  
4 of community college districts may not be located on the property of a  
5 school district unless the district governing board grants this authority.

6       L. A governing board or a school district employee who has control  
7 over personnel actions shall not take unlawful reprisal against another  
8 employee of the school district because the employee is directly or  
9 indirectly involved in an application to establish a charter school. A  
10 governing board or a school district employee shall not take unlawful  
11 reprisal against an educational program of the school or the school  
12 district because an application to establish a charter school proposes to  
13 convert all or a portion of the educational program to a charter school.  
14 For the purposes of this subsection, "unlawful reprisal" means an action  
15 that is taken by a governing board or a school district employee as a  
16 direct result of a lawful application to establish a charter school and  
17 that is adverse to another employee or an education program and:

18       1. With respect to a school district employee, results in one or  
19 more of the following:

- 20       (a) Disciplinary or corrective action.
- 21       (b) Detail, transfer or reassignment.
- 22       (c) Suspension, demotion or dismissal.
- 23       (d) An unfavorable performance evaluation.
- 24       (e) A reduction in pay, benefits or awards.

25       (f) Elimination of the employee's position without a reduction in  
26 force by reason of lack of monies or work.

27       (g) Other significant changes in duties or responsibilities that  
28 are inconsistent with the employee's salary or employment classification.

29       2. With respect to an educational program, results in one or more  
30 of the following:

- 31       (a) Suspension or termination of the program.
- 32       (b) Transfer or reassignment of the program to a less favorable  
33 department.
- 34       (c) Relocation of the program to a less favorable site within the  
35 school or school district.
- 36       (d) Significant reduction or termination of funding for the  
37 program.

38       M. Charter schools shall secure insurance for liability and  
39 property loss. The governing body of a charter school that is sponsored  
40 by the state board of education or the state board for charter schools may  
41 enter into an intergovernmental agreement or otherwise contract to  
42 participate in an insurance program offered by a risk retention pool  
43 established pursuant to section 11-952.01 or 41-621.01 or the charter  
44 school may secure its own insurance coverage. The pool may charge the

1 requesting charter school reasonable fees for any services it performs in  
2 connection with the insurance program.

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

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

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

11 Q. The sponsor of a charter school shall establish procedures to  
12 conduct administrative hearings on determination by the sponsor that  
13 grounds exist to revoke a charter. Procedures for administrative hearings  
14 shall be similar to procedures prescribed for adjudicative proceedings in  
15 title 41, chapter 6, article 10. Except as provided in section  
16 41-1092.08, subsection H, final decisions of the state board of education  
17 and the state board for charter schools from hearings conducted pursuant  
18 to this subsection are subject to judicial review pursuant to title 12,  
19 chapter 7, article 6.

20 R. The sponsoring entity of a charter school shall have oversight  
21 and administrative responsibility for the charter schools that it  
22 sponsors. In implementing its oversight and administrative  
23 responsibilities, the sponsor shall ground its actions in evidence of the  
24 charter holder's performance in accordance with the performance framework  
25 adopted by the sponsor. The performance framework shall be publicly  
26 available, shall be placed on the sponsoring entity's website and shall  
27 include:

28 1. The academic performance expectations of the charter school and  
29 the measurement of sufficient progress toward the academic performance  
30 expectations.

31 2. The operational expectations of the charter school, including  
32 adherence to all applicable laws and obligations of the charter contract.

33 3. The financial expectations of the charter school.

34 4. Intervention and improvement policies.

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

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

39 U. Charter schools may not locate a school on property that is less  
40 than one-fourth mile from agricultural land regulated pursuant to section  
41 3-365, except that the owner of the agricultural land may agree to comply  
42 with the buffer zone requirements of section 3-365. If the owner agrees  
43 in writing to comply with the buffer zone requirements and records the  
44 agreement in the office of the county recorder as a restrictive covenant  
45 running with the title to the land, the charter school may locate a school

1 within the affected buffer zone. The agreement may include any  
2 stipulations regarding the charter school, including conditions for future  
3 expansion of the school and changes in the operational status of the  
4 school that will result in a breach of the agreement.

5 V. A transfer of a charter to another sponsor, a transfer of a  
6 charter school site to another sponsor or a transfer of a charter school  
7 site to a different charter shall be completed before the beginning of the  
8 fiscal year that the transfer is scheduled to become effective. An entity  
9 that sponsors charter schools may accept a transferring school after the  
10 beginning of the fiscal year if the transfer is approved by the  
11 superintendent of public instruction. The superintendent of public  
12 instruction shall have the discretion to consider each transfer during the  
13 fiscal year on a case-by-case basis. A charter holder seeking to transfer  
14 sponsors shall comply with the current charter terms regarding assignment  
15 of the charter. A charter holder transferring sponsors shall notify the  
16 current sponsor that the transfer has been approved by the new sponsor.

17 W. Notwithstanding subsection V of this section, a charter holder  
18 on an improvement plan must notify parents or guardians of registered  
19 students of the intent to transfer the charter and the timing of the  
20 proposed transfer. On the approved transfer, the new sponsor shall  
21 enforce the improvement plan but may modify the plan based on performance.

22 X. Notwithstanding subsection Y of this section, the state board  
23 for charter schools shall charge a processing fee to any charter school  
24 that amends its contract to participate in Arizona online instruction  
25 pursuant to section 15-808. The charter Arizona online instruction  
26 processing fund is established consisting of fees collected and  
27 administered by the state board for charter schools. The state board for  
28 charter schools shall use monies in the fund only for processing contract  
29 amendments for charter schools participating in Arizona online  
30 instruction. Monies in the fund are continuously appropriated.

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

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

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

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

9 CC. Notwithstanding subsection Y of this section, a sponsor of  
10 charter schools may charge a new charter application processing fee to any  
11 applicant. The application fee shall fully cover the cost of application  
12 review and any needed technical assistance. Authorizers may approve  
13 policies that allow a portion of the fee to be returned to the applicant  
14 whose charter is approved.

15 DD. A charter school may choose to provide a preschool program for  
16 children with disabilities pursuant to section 15-771.

17 EE. Pursuant to the prescribed graduation requirements adopted by  
18 the state board of education, the governing body of a charter school  
19 operating a high school may approve a rigorous computer science course  
20 that would fulfill a mathematics course required for graduation from high  
21 school. The governing body may approve a rigorous computer science course  
22 only if the rigorous computer science course includes significant  
23 mathematics content and the governing body determines the high school  
24 where the rigorous computer science course is offered has sufficient  
25 capacity, infrastructure and qualified staff, including competent teachers  
26 of computer science.

27 FF. A charter school may ~~permit~~ ALLOW the use of school property,  
28 including school buildings, grounds, buses and equipment, by any person,  
29 group or organization for any lawful purpose, including a recreational,  
30 educational, political, economic, artistic, moral, scientific, social,  
31 religious or other civic or governmental purpose. The charter school may  
32 charge a reasonable fee for the use of the school property.

33 GG. A charter school and its employees, including the governing  
34 body, or chief administrative officer, are immune from civil liability  
35 with respect to all decisions made and actions taken to allow the use of  
36 school property, unless the charter school or its employees are guilty of  
37 gross negligence or intentional misconduct. This subsection does not  
38 limit any other immunity provisions that are prescribed by law.

39 HH. Sponsors authorized pursuant to this section shall submit an  
40 annual report to the auditor general on or before October 1. The report  
41 shall include:

42 1. The current number of charters authorized and the number of  
43 schools operated by authorized charter holders.

1       2. The academic, operational and financial performance of the  
2 sponsor's charter portfolio as measured by the sponsor's adopted  
3 performance framework.

4       3. For the prior year, the number of new charters approved, the  
5 number of charter schools closed and the reason for the closure.

6       4. The sponsor's application, amendment, renewal and revocation  
7 processes, charter contract template and current performance framework as  
8 required by this section.

9       II. The auditor general shall prescribe the format for the annual  
10 report required by subsection HH of this section and may require that the  
11 annual report be submitted electronically. The auditor general shall  
12 review the submitted annual reports to ensure that the reports include the  
13 required items in subsection HH of this section and shall make the annual  
14 reports available on request. If the auditor general finds significant  
15 noncompliance or if a sponsor fails to submit the annual report required  
16 by subsection HH of this section, on or before December 31 of each year  
17 the auditor general shall report to the governor, the president of the  
18 senate, the speaker of the house of representatives and the chairs of the  
19 senate and house education committees or their successor committees, and  
20 the legislature shall consider revoking the sponsor's authority to sponsor  
21 charter schools.

22       JJ. NOTWITHSTANDING ANY OTHER LAW, A CHARTER SCHOOL THAT IS A  
23 MEMBER OF THE ARIZONA ACHIEVEMENT DISTRICT ESTABLISHED BY SECTION 41-5841  
24 MAY EXPAND PURSUANT TO AN EXPEDITED PROCESS ESTABLISHED BY THE CHARTER  
25 SPONSOR.

26       Sec. 2. Section 15-241, Arizona Revised Statutes, is amended to  
27 read:

28       15-241. School, charter school and school district  
29               accountability; annual achievement profiles;  
30               classification; letter grade system; profiles;  
31               appeals process; failing schools tutoring fund;  
32               definition

33       A. On or before November 1 of each year, the department of  
34 education shall compile for each public school and local education agency,  
35 and shall recommend to the state board of education, an annual achievement  
36 profile that consists of an educational dashboard that reflects the  
37 achievement for each public school and local education agency on the  
38 academic and educational performance indicators prescribed in subsection D  
39 of this section, except that a career technical education district may not  
40 be assigned a letter grade pursuant to this section. The department shall  
41 provide any technical assistance needed by the state board to make final  
42 adoption of the annual achievement profile.

43       B. Each school, charter holder and school district shall submit to  
44 the department of education any data that is required and requested and  
45 that is necessary to compile the achievement profile. A school or local

1 education agency that fails to submit the information that is necessary is  
2 not eligible to receive monies from the classroom site fund established by  
3 section 15-977.

4 C. The annual achievement profile compiled by the department of  
5 education and recommended to the state board of education shall be used to  
6 determine a standard measurement of acceptable academic progress for each  
7 school and local education agency and a school and local education agency  
8 classification pursuant to subsection G of this section. Any disclosure  
9 of educational records compiled by the department pursuant to this section  
10 shall comply with the family educational rights and privacy act of 1974  
11 (20 United States Code section 1232g).

12 D. The annual achievement profile for schools and local education  
13 agencies shall include, at a minimum, the following academic and  
14 educational performance indicators:

15 1. Multiple measures of **STUDENT** academic performance or other  
16 academically relevant indicators of school quality that are appropriate to  
17 assess the educational impact of a school during the academic year as  
18 determined by the state board of education.

19 2. **STUDENT** academic progress on assessments adopted pursuant to  
20 sections 15-741 and 15-741.02 in English language arts and mathematics.

21 3. **STUDENT** academic progress on the English language learner  
22 assessments administered pursuant to section 15-756, subsection B and  
23 section 15-756.05.

24 4. **STUDENT** progress toward college and career readiness for all  
25 schools and local education agencies that offer instruction in any of  
26 grades nine through twelve.

27 5. **STUDENT** academic progress on assessments administered pursuant  
28 to section 15-741.02.

29 6. Multiple measures of educational performance or other relevant  
30 indicators of school quality that assess a school's educational impact,  
31 such as graduation rates and attendance rates.

32 E. If neither the school nor the school district meets the minimum  
33 student count as recommended by the department of education and approved  
34 by the state board of education for any of the performance indicators  
35 prescribed in subsection D of this section, the performance indicator  
36 shall not be factored into the letter grade assigned pursuant to this  
37 section.

38 F. Subject to final adoption by the state board of education, the  
39 department of education shall determine the criteria for each school and  
40 local education agency classification on each performance indicator of the  
41 annual achievement profile prescribed in subsection D of this section  
42 using a ~~researched-based~~ **RESEARCH-BASED** methodology and shall recommend to  
43 the state board for final adoption the criteria for each school and local  
44 education agency classification. The department shall develop the  
45 methodology in collaboration with a coalition of qualified technical and

1 policy stakeholders appointed by the state board. The department shall  
2 provide technical assistance and, on request, student or statewide  
3 performance indicator data needed to determine and calculate the  
4 methodology and final letter grades. At a minimum, the methodology shall  
5 include the performance of pupils at all achievement levels, account for  
6 pupil mobility, account for the distribution of pupil achievement at each  
7 school and local education agency and include longitudinal indicators of  
8 academic performance. For the purposes of this subsection,  
9 "~~researched-based~~ RESEARCH-BASED methodology" means the systematic and  
10 objective application of statistical and quantitative research principles  
11 to calculate the indicators used to determine A through F letter grades.

12 G. The annual achievement profile shall use classifications based  
13 on an A through F letter grade system adopted by the state board of  
14 education in which a letter grade of A reflects an excellent level of  
15 performance and a letter grade of F reflects a failing level of  
16 performance. The A through F letter grade system shall be applied to each  
17 performance indicator of the annual achievement profile prescribed in  
18 subsection D of this section, and the state board shall assign an overall  
19 letter grade for the public school or local education agency. The A  
20 through F letter grade system shall indicate expected standards of  
21 performance for all schools on each performance indicator of the annual  
22 achievement profile prescribed in subsection D of this section and the  
23 manner in which schools may rise above or fall below those expected  
24 standards of performance. The state board may also assign a school a  
25 letter grade of F on each performance indicator of the annual achievement  
26 profile prescribed in subsection D of this section if the state board  
27 determines that the school is among the persistently lowest-achieving  
28 schools in the state on the majority of the performance indicators of the  
29 annual achievement profile under the federal school accountability  
30 requirements pursuant to section 1003(g) of the elementary and secondary  
31 education act (20 United States Code section 6303).

32 H. The classification on each performance indicator of the annual  
33 achievement profile for each school and the criteria used to determine  
34 classification pursuant to subsections F and G of this section shall be  
35 included on the school report card prescribed in section 15-746.

36 I. Subject to final adoption by the state board of education, the  
37 department of education shall use achievement profiles appropriately to  
38 assess the educational impact of accommodation schools, alternative  
39 schools and extremely small schools, may develop profiles for schools that  
40 participate in the board examination system prescribed in chapter 7,  
41 article 6 of this title and schools that participate in Arizona online  
42 instruction pursuant to section 15-808 and may develop other exceptions as  
43 prescribed by the state board for the purposes of this section.

44 J. The department of education shall establish a process, including  
45 a deadline for when requests must be submitted, for a school or local

1 education agency to correct student data used to determine the school's or  
2 local education agency's annual achievement profile. If a correction to  
3 student data is required, the department shall notify the school or local  
4 education agency of the data correction process and shall annually process  
5 student data correction requests. The state board of education shall  
6 establish an appeals process to allow a school or local education agency  
7 to appeal the school's or local education agency's final letter grade, or  
8 a letter grade applied to a performance indicator prescribed in subsection  
9 D of this section, based on mitigating factors, including achievement  
10 profile designations based on incorrect data, identified by the  
11 department.

12 K. The failing schools tutoring fund is established consisting of  
13 monies collected pursuant to section 42-5029, subsection E and section  
14 42-5029.02, subsection A, paragraph 8 as designated for this purpose. The  
15 department of education shall administer the fund. The department may use  
16 monies from the fund to purchase materials designed to assist students to  
17 meet the Arizona academic standards and to achieve a passing score on  
18 assessments adopted by the state board of education.

19 L. For the purposes of this section, "academic progress" means  
20 measures of both proficiency and academic gain.

21 Sec. 3. Section 15-241.01, Arizona Revised Statutes, is amended to  
22 read:

23 **15-241.01. School accountability: alternative operation plans**

24 A. If a school district has six or more schools and at least  
25 one-half of the schools in the district are assigned a letter grade of D  
26 or F pursuant to this section and at least one school is assigned a letter  
27 grade of F, the department of education may submit to the state board of  
28 education a recommendation for a public hearing to determine ~~if~~ WHETHER  
29 the school district should be subject to an alternative operation plan and  
30 the reasons for that recommendation. When considering whether to  
31 recommend a public hearing pursuant to this subsection, the department  
32 shall consider at least the following:

33 1. The likelihood that continued school-based interventions will be  
34 successful.

35 2. The extent to which the school district administrators and the  
36 school district governing board impacted the assignment of the letter  
37 grades of D and F to the district's schools.

38 3. Whether those schools assigned a letter grade of D or F have  
39 demonstrated reasonable academic growth as determined by the measure of  
40 academic progress established pursuant to this section.

41 B. If the department of education recommends a public hearing  
42 pursuant to subsection A of this section, the state board of education  
43 shall meet and may provide by a majority vote of the entire board for the  
44 development and implementation of an alternative operation plan as allowed  
45 by this section. When determining whether to place a school district

1 under an alternative operation plan, the state board shall consider at  
2 least the following:

3       1. The likelihood that continued school-based interventions will be  
4 successful.

5       2. The extent to which the school district administrators and the  
6 school district governing board impacted the assignment of the letter  
7 grades D and F to the district's schools.

8       3. Whether those schools assigned a letter grade of D or F have  
9 demonstrated reasonable academic growth as determined by the measure of  
10 academic progress established pursuant to this section.

11      C. Before a PUBLIC hearing is held pursuant to subsection B of this  
12 section, the department of education shall recommend to the state board of  
13 education at least three governmental, nonprofit or private organizations  
14 or persons to manage the school district's affairs. If the state board  
15 approves the implementation of an alternative operation plan, it shall  
16 make an appointment from the list provided by the department of  
17 education. On making this appointment the state board shall immediately  
18 determine which powers enumerated in subsection D of this section ~~shall~~  
19 ~~WILL~~ be temporarily granted to the appointed organization or person. The  
20 authority granted pursuant to this subsection ~~shall be~~ IS effective until  
21 the state board reviews the alternative operation plan as described in  
22 subsection E of this section.

23      D. An organization or person appointed pursuant to subsection C of  
24 this section shall begin a full review and investigation of the school  
25 district's educational affairs and shall submit to the state board of  
26 education a detailed report listing the findings of that investigation.  
27 This report shall include an alternative operation plan that details how  
28 the school district will raise the level of academic achievement so that  
29 all of the schools in the school district are assigned ~~grade letters~~  
30 LETTER GRADES of A, B or C pursuant to this section. The plan shall  
31 include a proposed timeline for improving academic achievement. The  
32 alternative operation plan shall also include a timeline and details  
33 concerning how the organization or person will transition the  
34 administration of the school district back to the locally elected  
35 governing board. The organization or person shall submit the report  
36 within one hundred twenty days ~~from~~ AFTER the date the organization or  
37 person was appointed by the state board. If approved by the state board,  
38 the alternative operation plan may authorize the appointed organization or  
39 person to do any of the following:

40       1. Override any decisions of the school district governing board or  
41 the school district superintendent, or both, concerning the management and  
42 operation of the school district, and initiate and make decisions  
43 concerning the management and operation of the school district, including  
44 reopening the school as a charter school.

1       2. Hire personnel, terminate personnel and cancel existing  
2 employment contracts, including the district superintendent, to the extent  
3 permitted by law. The appointed organization or person may refuse to  
4 reemploy any certificated teacher who has not been employed by the school  
5 district for more than the major portion of three consecutive school years  
6 ~~as provided in section 15-536.~~

7       3. Attend any meetings of the school district governing board and  
8 administrative staff.

9       4. Supervise the activities of the school district's staff,  
10 including reassigning the duties and responsibilities of personnel in a  
11 manner that, as determined by the appointed organization or person, best  
12 suits the needs of the school district.

13       5. To the extent permitted by law, cancel or renegotiate any  
14 contract, other than contracts of certificated teachers who have been  
15 employed by the school district in the capacity of a certificated teacher  
16 for more than one year, to which the governing board or the school  
17 district is a party if the cancellation or renegotiation of the contract  
18 will produce needed economies in the operation of the district's schools.

19       E. The state board of education shall periodically review the  
20 status of a school district that is operating under an alternative  
21 operation plan pursuant to this section to determine whether the  
22 operations of the school district should be returned to the school  
23 district governing board. Before the state board makes a determination to  
24 terminate an alternative operation plan, the state board or its designee  
25 shall meet with the school district governing board or its designee to  
26 establish an appropriate time frame and address any additional operational  
27 considerations that are necessary to ensure a smooth transition of  
28 authority from the appointed organization or person back to the school  
29 district governing board. When determining whether to terminate an  
30 alternative operation plan, the state board shall consider whether the  
31 district's schools have made significant academic gains as determined by  
32 individual school achievement profiles established pursuant to this  
33 section.

34       F. If at any time the state board determines that the progress of  
35 an organization or person who is appointed pursuant to this subsection or  
36 subsection C of this section is insufficient, the state board may remove  
37 that organization or person and make an alternative appointment. All  
38 authority granted pursuant to the approved alternative operation plan  
39 shall be transferred to the newly appointed organization or person. The  
40 state board may require the newly appointed organization or person to  
41 prepare a revised alternative operation plan as described in subsection D  
42 of this section.

43       G. All expenses and costs of an organization or person appointed by  
44 the state board pursuant to subsection C or F of this section shall be  
45 paid by the school district. The state board of education shall review

1 the expenses and costs at least twice each calendar year to ensure that  
2 the fees are reasonable and appropriate.

3 H. The operation of a school district by an organization or person  
4 appointed pursuant to this section shall not interfere with the election  
5 of school district governing board members.

6 I. The school district shall indemnify the organization or person  
7 appointed pursuant to subsection C or F of this section if that  
8 organization or person is made or threatened to be made a party to any  
9 litigation by reason of the organization's or person's status under this  
10 section **AND** if the organization or person acted in good faith and in a  
11 manner the organization or person believed to be lawful and in the best  
12 interest of the school district.

13 J. All information received and records or reports kept by the  
14 state board of education during an investigation resulting from a  
15 complaint against an organization or person appointed pursuant to  
16 subsection C or F of this section are confidential and are not public  
17 records.

18 K. BEGINNING JANUARY 1, 2029, THE STATE BOARD OF EDUCATION SHALL  
19 REQUIRE ANY SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT AND THAT IS  
20 ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241 FOR THREE  
21 CONSECUTIVE YEARS TO INITIATE EITHER A DISTRICT PARTNERSHIP SCHOOL OR A  
22 FRESH START SCHOOL PURSUANT TO SECTION 41-5863. IF THE STATE BOARD OF  
23 EDUCATION IN CONSULTATION WITH THE SCHOOL DISTRICT DETERMINES THAT A  
24 DISTRICT PARTNERSHIP SCHOOL OR A FRESH START SCHOOL IS NOT PRACTICABLE,  
25 THE STATE BOARD OF EDUCATION SHALL DO EITHER OF THE FOLLOWING:

26 1. BOTH:  
27 (a) DIRECT THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE COUNTY  
28 EDUCATIONAL SERVICE AGENCY TO COLLABORATE TO ASSIGN A SOLUTIONS TEAM UNDER  
29 SECTION 15-241.02, SUBSECTION E.

30 (b) HOLD A PUBLIC HEARING TO PROVIDE AN ALTERNATIVE OPERATION PLAN  
31 FOR THE SCHOOL PURSUANT TO SECTION 15-241.02, SUBSECTION K.

32 2. IF THE STATE BOARD OF EDUCATION DETERMINES THAT THERE ARE ONE OR  
33 MORE NEARBY PUBLIC SCHOOLS THAT ARE HIGHER ACHIEVING THAN THE SCHOOL AND  
34 THAT HAVE ADEQUATE CAPACITY TO SERVE THE STUDENTS THAT WOULD BE DISPLACED  
35 BY THE SCHOOL CLOSURE OR CONSOLIDATION, REQUIRE THE SCHOOL DISTRICT TO  
36 CLOSE OR CONSOLIDATE THE SCHOOL.

37 Sec. 4. Section 15-241.02, Arizona Revised Statutes, is amended to  
38 read:

39 15-241.02. School improvement plans; solutions teams;  
40 withholding of state monies

41 A. If a school is assigned a letter grade of D pursuant to section  
42 15-241, within ninety days after receiving notice of the classification,  
43 the school district governing board shall develop an improvement plan for  
44 the school, submit a copy of the plan to the superintendent of public  
45 instruction and the county educational service agency and supervise the

1 implementation of the plan. The governing board shall include in the plan  
2 necessary components as identified by the state board of education.  
3 Within thirty days after submitting the improvement plan to the  
4 superintendent of public instruction and the county educational service  
5 agency, the governing board shall hold a public meeting in each school  
6 that has been assigned a letter grade of D and shall present the  
7 respective improvement plans that have been developed for each school.  
8 The governing board, within thirty days after receiving notice of the  
9 classification, shall provide written notification of the classification  
10 to each residence within the attendance area of the school. The notice  
11 shall explain the improvement plan process and provide information  
12 regarding the public meeting required by this subsection.

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

22 C. If a charter school is assigned a letter grade of D pursuant to  
23 section 15-241, within thirty days the school shall notify the parents of  
24 the students attending the school of the classification. The notice shall  
25 explain the improvement plan process and provide information regarding the  
26 public meeting required by this subsection. Within ninety days after  
27 receiving the classification, the charter holder shall present an  
28 improvement plan to the charter sponsor at a public meeting and submit a  
29 copy of the plan to the sponsor of the charter school. The charter holder  
30 shall include in the improvement plan necessary components as identified  
31 by the state board of education. The school is not eligible to receive  
32 monies from the classroom site fund established by section 15-977 for  
33 every day that an improvement plan has not been received by the sponsor of  
34 the charter school within the time specified in this subsection plus an  
35 additional ninety days. The charter holder shall appear before the  
36 sponsoring board and explain why the improvement plan has not been  
37 submitted.

38 D. If a school is assigned a letter grade of D pursuant to section  
39 15-241 for a third consecutive year, the department of education shall  
40 visit the school site to confirm the classification data and to review the  
41 implementation of the school's improvement plan. The school shall be  
42 assigned a letter grade of F unless an alternate letter grade is assigned  
43 after an appeal pursuant to section 15-241, subsection J. A school that  
44 is assigned a letter grade of D for fewer than three consecutive years may  
45 also be assigned a letter grade of F if the state board of education

1 determines that there is no reasonable likelihood that the school will  
2 achieve an average level of performance within the next two years.

3 E. The superintendent of public instruction and the county  
4 educational service agency shall collaborate to assign a solutions team to  
5 a school assigned a letter grade of D pursuant to section 15-241 or a  
6 school assigned a letter grade of F pursuant to section 15-241 based on  
7 academic need and available resources. County educational service  
8 agencies may enter into agreements to provide services to schools from  
9 other counties. Any other school, subject to available resources, may be  
10 assigned a solutions team pursuant to a mutual agreement between the  
11 department of education or the county education service agency, or both,  
12 and the school. The solutions team shall be composed of master teachers,  
13 fiscal analysts and curriculum assessment experts who are certified by the  
14 state board of education as Arizona academic standards technicians. The  
15 department of education or the county educational service agency may hire  
16 or contract with administrators, principals and teachers who have  
17 demonstrated experience in improving academic outcomes and may use these  
18 personnel as part of the solutions team. The department of education  
19 shall work with staff at the school to assist in curricula alignment and  
20 shall instruct teachers on how to increase pupil academic progress,  
21 considering the school's annual achievement profile. The solutions team  
22 shall consider the existing improvement plan to assess the need for  
23 changes to curricula, professional development and resource allocation and  
24 shall present a statement of its findings to the school administrator and  
25 district superintendent. Within forty-five days after the presentation of  
26 the solutions team's statement of findings, the school district governing  
27 board, in cooperation with each school within the school district that is  
28 assigned a letter grade of D and its assigned solutions team  
29 representative, shall develop and submit to the department of education  
30 and the county educational service agency an action plan that details the  
31 manner in which the school district will assist the school as the school  
32 incorporates the findings of the solutions team into the improvement plan.  
33 The department of education shall review the action plan and shall either  
34 accept the action plan or return the action plan to the school district  
35 for modification. If the school district does not submit an approved  
36 action plan within forty-five days, the state board of education may  
37 direct the superintendent of public instruction to withhold up to ten  
38 percent of state monies that the school district would otherwise be  
39 entitled to receive each month until the plan is submitted to the  
40 department of education and the county educational service agency, at  
41 which time those monies shall be returned to the school district.

42 F. The parent or guardian of a pupil may apply to the department of  
43 education, in a manner determined by the department of education, for a  
44 certificate of supplemental instruction from the failing schools tutoring  
45 fund established by section 15-241. Pupils attending a school assigned a

1 letter grade of D or F may select an alternative tutoring program in  
2 academic standards from a provider that is certified by the state board of  
3 education. To qualify, the provider must state in writing a level of  
4 academic improvement for the pupil that includes a timeline for  
5 improvement that is agreed to by the parent or guardian of the pupil. The  
6 state board of education shall annually review academic performance levels  
7 for certified providers and may remove a provider at a public hearing from  
8 an approved list of providers if that provider fails to meet its stated  
9 level of academic improvement. The state board of education shall  
10 determine the application guidelines and the maximum value for each  
11 certificate of supplemental instruction. The state board of education  
12 shall annually complete a market survey in order to determine the maximum  
13 value for each certificate of supplemental instruction. This subsection  
14 does not require this state to provide additional monies beyond the monies  
15 provided pursuant to section 42-5029, subsection E, paragraph 7 or section  
16 42-5029.02, subsection A, paragraph 7.

17 G. Within sixty days after receiving notification of a school being  
18 assigned a letter grade of F pursuant to section 15-241, the school  
19 district governing board shall evaluate needed changes to the existing  
20 school improvement plan, consider recommendations from the solutions team,  
21 submit a copy of the plan to the superintendent of public instruction and  
22 the county educational service agency and supervise the implementation of  
23 the plan. Within thirty days after submitting the improvement plan to the  
24 superintendent of public instruction and the county educational service  
25 agency, the governing board shall hold a public meeting in each school  
26 that has been assigned a letter grade of F and shall present the  
27 respective improvement plans that have been developed for each school.  
28 The governing board, within thirty days after receiving notice of the  
29 classification, shall provide written notification of the classification  
30 to each residence in the attendance area of the school. The notice shall  
31 explain the improvement plan process and provide information regarding the  
32 public meeting required by this subsection.

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

42 I. If a charter school is assigned a letter grade of F pursuant to  
43 section 15-241, the department of education shall immediately notify the  
44 charter school's sponsor. The charter school's sponsor shall either take  
45 action to restore the charter school to acceptable performance **PURSUANT TO**

1     A PROCESS ESTABLISHED BY THE CHARTER SPONSOR or revoke the charter  
2 school's charter. Within thirty days, the charter school shall notify the  
3 parents of the students attending the school of the classification and of  
4 any pending public meetings to review the issue.

5     J. The department of education shall evaluate a school that has  
6 been assigned a letter grade of F pursuant to section 15-241 to determine  
7 whether the school, charter holder or school district failed to properly  
8 implement its school improvement plan, align the curricula with academic  
9 standards, provide teacher training, prioritize the budget or implement  
10 other proven strategies to improve academic performance. After visiting  
11 the school site pursuant to subsection D of this section, the department  
12 of education shall submit to the state board of education a recommendation  
13 either to proceed pursuant to subsections E, F and G of this section or  
14 that the school be subject to a public hearing to determine whether the  
15 school failed to properly implement its improvement plan and the reasons  
16 for the department's recommendation. If the school is a charter school,  
17 the department shall submit a report to the sponsor of the charter school.  
18 The sponsor shall make a determination pursuant to subsection N of this  
19 section.

20     K. If the department recommends a public hearing OR IF THE STATE  
21 BOARD OF EDUCATION IN CONSULTATION WITH THE SCHOOL DISTRICT DETERMINES  
22 THAT A DISTRICT PARTNERSHIP SCHOOL OR A FRESH START SCHOOL IS NOT  
23 PRACTICABLE UNDER SECTION 15-241.01, SUBSECTION K AND OPTS TO HOLD A  
24 PUBLIC HEARING TO PROVIDE AN ALTERNATIVE OPERATION PLAN FOR THE SCHOOL  
25 PURSUANT TO THIS SUBSECTION, the state board of education shall meet and  
26 may provide by a majority vote at the public hearing for the continued  
27 operation of the school as allowed by this subsection. The state board of  
28 education shall determine whether governmental, nonprofit and private  
29 organizations may submit applications to the state board to fully or  
30 partially manage the school. The state board's determination shall  
31 include:

32         1. Whether and to what extent the local governing board may  
33 participate in the operation of the school, including personnel matters.

34         2. Whether and to what extent the state board will participate in  
35 the operation of the school.

36         3. Resource allocation pursuant to subsection M of this section.

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

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

41     L. The state board of education shall periodically review the  
42 status of a school that is operated by an organization other than the  
43 school district governing board to determine whether the operation of the  
44 school should be returned to the school district governing board. Before  
45 the state board makes a determination, the state board or its designee

1 shall meet with the school district governing board or its designee to  
2 determine the time frame, operational considerations and appropriate  
3 continuation of existing improvements that are necessary to ensure a  
4 smooth transition of authority from the other organization back to the  
5 school district governing board.

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

21 N. If the sponsor of a charter school determines that a charter  
22 holder failed to properly implement its improvement plan, the sponsor of  
23 the charter school shall revoke the charter school's charter.

24 O. If there are more than two schools in a district and more than  
25 one-half, or in any case more than five, of the schools in the district  
26 are assigned a letter grade of F pursuant to section 15-241 for more than  
27 two consecutive years, in the next election of governing board members the  
28 election ballot shall contain the following statement immediately above  
29 the listing of governing board candidates:

30        Within the last five years, (number of schools) schools  
31        in the \_\_\_\_\_ school district have been assigned a letter  
32        grade of D or F.

33 P. At least twice each year the department of education shall  
34 publish in a newspaper of general circulation in each county of this state  
35 a list of schools that are assigned a letter grade of F pursuant to  
36 section 15-241.

37 Q. The state board of education shall adopt guidelines to include  
38 supplementary training in reading instruction for teachers who provide  
39 instruction to pupils in a kindergarten program or grade one, two or three  
40 in an improvement plan pursuant to subsection A of this section.

41 R. In addition to any other corrective procedures prescribed in  
42 this section and sections 15-241 and 15-241.01, a school that has been  
43 assigned a letter grade of D or F for two consecutive years shall  
44 implement a science, technology, engineering and mathematics intervention  
45 strategy under the supervision of the state board of education.

1       S. In addition to any other corrective procedures prescribed in  
2 this section, a school district that has been assigned a letter grade of D  
3 or F pursuant to section 15-241 for two consecutive years shall implement  
4 a parent involvement strategy. The parent involvement strategy shall be  
5 included in the school improvement plan for each applicable school within  
6 the district, as prescribed in subsection A or G of this section, as  
7 applicable.

8       T. The department of education shall publish criteria for a  
9 school's or school district's exit status from a previous assignment of a  
10 letter grade of F in accordance with this section. The criteria shall  
11 prescribe the actions and results necessary to be deemed to have complied  
12 with this section regarding school improvement, including the proper  
13 implementation of a school improvement plan pursuant to subsection J of  
14 this section. These criteria shall be provided to a school or school  
15 district if it is assigned a letter grade of F pursuant to section 15-241.

16      Sec. 5. Section 41-5702, Arizona Revised Statutes, is amended to  
17 read:

18      41-5702. Powers and duties: staffing: reporting requirements

19      A. The division shall:

20       1. Assess school facilities and equipment deficiencies and approve  
21 the distribution of grants as appropriate.

22       2. Maintain a database of school facilities to allow for the  
23 administration of the new school facilities formula and the building  
24 renewal grant fund. The facilities listed in the database must include  
25 all buildings that are owned by school districts. The division shall  
26 ensure that the database is updated on at least an annual basis. Each  
27 school district shall report to the division not later than September 1 of  
28 each year information as required by the division to administer the  
29 building renewal grant fund and by the school facilities oversight board  
30 to compute new school facilities formula distributions, including the  
31 nature and cost of major repairs, renovations or physical improvements to  
32 or replacement of building systems or equipment that were made in the  
33 previous year and that were paid for either with local monies or monies  
34 provided from the building renewal grant fund. Each school district shall  
35 report any school or school buildings that have been closed, that are  
36 vacant or partially used pursuant to section 15-119 and that have been  
37 leased to another entity or that operate as a charter school. The  
38 division shall develop guidelines and definitions for the reporting  
39 prescribed in this paragraph and ~~may~~ SHALL review or audit the  
40 information, or both, to confirm the information submitted by a school  
41 district. Notwithstanding any other provision of this chapter, if a  
42 school district converts space that is listed in the database maintained  
43 pursuant to this paragraph to space that will be used for administrative  
44 purposes, the school district is responsible for any costs associated with  
45 converting, maintaining and replacing that space. If a building is

1 significantly upgraded or remodeled, the division shall adjust the age of  
2 that school facility in the database as follows:

3 (a) Determine the building capacity value as follows:

4 (i) Multiply the student capacity of the building by the per pupil  
5 square foot capacity established by section 41-5741.

6 (ii) Multiply the product determined in item (i) of this  
7 subdivision by the cost per square foot established by section 41-5741.

8 (b) Divide the cost of the renovation by the building capacity  
9 value determined in subdivision (a) of this paragraph.

10 (c) Multiply the quotient determined in subdivision (b) of this  
11 paragraph by the currently listed age of the building in the database.

12 (d) Subtract the product determined in subdivision (c) of this  
13 paragraph from the currently listed age of the building in the database,  
14 rounded to the nearest whole number. If the result is a negative number,  
15 use zero.

16 3. Inspect, contract with a third party to inspect or certify  
17 school district self-inspections of school buildings at least once every  
18 five years to ensure compliance with the building adequacy standards  
19 prescribed in section 41-5711, the accuracy of the reporting of vacant and  
20 partially used buildings pursuant to this subsection and routine  
21 preventive maintenance guidelines as prescribed in this section with  
22 respect to constructing new buildings and maintaining existing  
23 buildings. The division shall randomly select twenty school districts  
24 every thirty months and provide for them to be inspected pursuant to this  
25 paragraph.

26 4. Develop prototypical elementary and high school designs. The  
27 division shall review the design differences between the schools with the  
28 highest academic productivity scores and the schools with the lowest  
29 academic productivity scores. The division shall also review the results  
30 of a valid and reliable survey of parent quality rating in the highest  
31 performing schools and the lowest performing schools in this state. The  
32 survey of parent quality rating shall be administered by the department of  
33 education. The division shall consider the design elements of the schools  
34 with the highest academic productivity scores and parent quality ratings  
35 in the development of elementary and high school designs. The division  
36 shall develop separate school designs for elementary, middle and high  
37 schools with varying pupil capacities.

38 5. Develop application forms, reporting forms and procedures to  
39 carry out the requirements of this article, including developing and  
40 implementing policies and procedures to:

41 (a) Ensure that the division and the school facilities oversight  
42 board, as applicable, notify school districts in a uniform manner of the  
43 services and funding available for school districts from the board or the  
44 division for facility construction, renovation and repair projects. The  
45 policies and procedures shall require the division and the board to

1 provide at least one annual communication to school districts in a manner  
2 prescribed by the division and shall require each school district to  
3 develop and maintain a list of persons who are responsible for facilities  
4 management at that school district.

5 (b) Establish a project eligibility assessment for all projects  
6 submitted for building renewal grant funding or emergency deficiencies  
7 correction funding, including establishing standardized criteria for  
8 project eligibility. Before the division formally approves a project, the  
9 staff of the division may review the costs and scope of the proposed  
10 project with persons and entities that have submitted bids on the project.

11 (c) Ensure that the division and the school facilities oversight  
12 board maintain standardized documentation of all projects submitted to the  
13 board and the division for consideration to receive services or a  
14 financial award from the board or the division. The board and the  
15 division shall maintain standardized documentation of any project awarded  
16 monies by the board or the division, including records of payments to  
17 school districts in a manner prescribed by the division. The standardized  
18 documentation shall include the following as part of the eligibility  
19 determination criteria:

20 (i) Whether the problem that the proposed project intends to  
21 address caused the building or facility to fall below the minimum school  
22 facility adequacy guidelines prescribed in section 41-5711.

23 (ii) Whether the school district performed the routine preventive  
24 maintenance required by section 41-5731 on the building or facility.

25 (d) Require a school district to submit contact information for  
26 each proposed project, including the name, email address and telephone  
27 number of persons who are responsible for facilities management at the  
28 school district.

29 (e) Require a school district to provide justification for each  
30 proposed project, including all of the following:

31 (i) The school district's use or planned use of the facility.

32 (ii) A detailed description of the problem and the school  
33 district's recommended solution.

34 (iii) Any completed professional study regarding the proposed  
35 project.

36 (iv) Any citation or report from government entities.

37 (v) The estimated cost of the proposed project, with documentation.

38 (vi) The project category.

39 (vii) A description of any local funding that will be used for the  
40 proposed project.

41 (viii) Documentation on associated insurance coverage, if  
42 applicable.

43 (f) Require that an initial application not be considered complete  
44 until all necessary information is submitted.

1       (g) Allow a school district to submit an incomplete application and  
2 request technical assistance from the staff of the board if the school  
3 district is unable to provide sufficient information in the initial  
4 application.

5       (h) If applicable, require that a complete application be received  
6 by the board at least fifteen business days before the next regularly  
7 scheduled board meeting in order for the application to be considered at  
8 that meeting. An incomplete application may be considered at that meeting  
9 if both the staff of the board and the superintendent of the school  
10 district deem the project critical.

11      (i) Allow the staff of the board or the division, as applicable, to  
12 notify a school district in writing before review by the board or division  
13 that the proposed project does not meet eligibility criteria prescribed in  
14 this chapter. The written notification shall include documentation to  
15 support the determination that the proposed project does not meet the  
16 eligibility criteria prescribed in this chapter. The school district may  
17 directly appeal the determination of ineligibility to the director of the  
18 division. The school district may directly appeal the director's  
19 determination of ineligibility to the board.

20      (j) Prohibit the staff of the board or division from requesting  
21 that a school district withdraw a project application from review by the  
22 board or division if the initial review determines that the proposed  
23 project may be ineligible for monies pursuant to this chapter.

24      6. Submit electronically an annual report on or before December 15  
25 to the speaker of the house of representatives, the president of the  
26 senate, the superintendent of public instruction, the secretary of state  
27 and the governor that includes the following information:

28       (a) A detailed description of the amount of monies distributed by  
29 the division under this chapter in the previous fiscal year.

30       (b) A list of each capital project that received monies from the  
31 division under this chapter during the previous fiscal year, a brief  
32 description of each project that was funded and a summary of the  
33 division's reasons for distributing monies for the project.

34       (c) A summary of the findings and conclusions of the building  
35 maintenance inspections conducted pursuant to this article during the  
36 previous fiscal year.

37       (d) A summary of the findings of common design elements and  
38 characteristics of the highest performing schools and the lowest  
39 performing schools based on academic productivity, including the results  
40 of the parent quality rating survey. For the purposes of this  
41 subdivision, "academic productivity" means academic year advancement per  
42 calendar year as measured with student-level data using the statewide  
43 nationally standardized norm-referenced achievement test.

44      7. On or before December 1 of each year, report electronically to  
45 the joint committee on capital review the amounts necessary to fulfill the

1 requirements of section 41-5721 for the following three fiscal years. In  
2 developing the amounts necessary for this report, the division shall use  
3 the most recent average daily membership data available. On request from  
4 the division, the department of education shall make available the most  
5 recent average daily membership data for use in calculating the amounts  
6 necessary to fulfill the requirements of section 41-5721 for the following  
7 three fiscal years. The division shall provide copies of the report to  
8 the president of the senate, the speaker of the house of representatives  
9 and the governor.

10 8. On or before June 15 of each year, submit electronically  
11 detailed information regarding demographic assumptions and a proposed  
12 construction schedule for individual projects approved in the current  
13 fiscal year and expected project approvals for the upcoming fiscal year to  
14 the joint committee on capital review for its review. A copy of the  
15 report shall also be submitted electronically to the governor's office of  
16 strategic planning and budgeting. The joint legislative budget committee  
17 staff, the governor's office of strategic planning and budgeting staff and  
18 the division staff shall agree on the format of the report.

19 9. Every two years, provide school districts with information on  
20 improving and maintaining the indoor environmental quality in school  
21 buildings.

22 10. Adopt rules regarding the validation of adjacent ways projects  
23 pursuant to paragraph 11 of this subsection.

24 11. Validate proposed adjacent ways projects that are submitted by  
25 school districts as prescribed in section 15-995 pursuant to rules adopted  
26 by the division under paragraph 10 of this subsection.

27 12. Submit a monthly report to the school facilities oversight  
28 board that details each adjacent ways project validated pursuant to  
29 paragraph 11 of this subsection.

30 13. Brief the joint committee on capital review at least once each  
31 year regarding the use of monies from all of the following:

32 (a) The emergency deficiencies correction fund established by  
33 section 41-5721.

34 (b) The building renewal grant fund established by section 41-5731.

35 (c) The new school facilities fund established by section 41-5741.

36 B. The school facilities oversight board or the division may  
37 contract for the following services in compliance with the procurement  
38 practices prescribed in chapter 23 of this title:

39 1. Private services.

40 2. Construction project management services.

41 3. Assessments for school buildings to determine if the buildings  
42 have outlived their useful life pursuant to section 41-5741, subsection G  
43 or have been condemned.

44 4. Services related to land acquisition and development of a school  
45 site.

1       C. The school facilities oversight board shall:

2       1. Review and approve student population projections submitted by  
3 school districts to determine to what extent school districts are entitled  
4 to monies to construct new facilities pursuant to section 41-5741. The  
5 board shall make a final determination within five months after receiving  
6 an application from a school district for monies from the new school  
7 facilities fund.

8       2. Certify that plans for new school facilities meet the building  
9 adequacy standards prescribed in section 41-5711.

10      3. Review and approve or reject requests submitted by school  
11 districts to take actions pursuant to section 15-341, subsection G.

12      4. On or before December 15 of each year, electronically submit a  
13 report to the speaker of the house of representatives, the president of  
14 the senate, the superintendent of public instruction, the secretary of  
15 state and the governor that includes the following information:

16       (a) A detailed description of the amount of monies the board  
17 distributed under this chapter in the previous fiscal year.

18       (b) A list of each capital project that received monies from the  
19 board under this chapter during the previous fiscal year, a brief  
20 description of each project that was funded and a summary of the board's  
21 reasons for distributing monies for the project.

22       (c) A summary of the findings and conclusions of the building  
23 maintenance inspections conducted pursuant to this article during the  
24 previous fiscal year.

25      5. On or before December 1 of each year, electronically report to  
26 the joint committee on capital review the amounts necessary to fulfill the  
27 requirements of section 41-5741 for the following three fiscal years. In  
28 developing the amounts necessary for this report, the board shall use the  
29 most recent average daily membership data available. On request from the  
30 board, the department of education shall make available the most recent  
31 average daily membership data for use in calculating the amounts necessary  
32 to fulfill the requirements of section 41-5741 for the following three  
33 fiscal years. The board shall provide copies of the report to the  
34 president of the senate, the speaker of the house of representatives and  
35 the governor.

36      6. Adopt minimum school facility adequacy guidelines to provide the  
37 minimum quality and quantity of school buildings and the facilities and  
38 equipment necessary and appropriate to enable pupils to achieve the  
39 educational goals of the Arizona state schools for the deaf and the blind.  
40 The board shall establish minimum school facility adequacy guidelines  
41 applicable to the Arizona state schools for the deaf and the blind.

42      7. On or before June 15 of each year, electronically submit to the  
43 joint committee on capital review for its review detailed information  
44 regarding demographic assumptions, a proposed construction schedule and  
45 new school construction cost estimates for individual projects approved in

1 the current fiscal year and expected project approvals for the upcoming  
2 fiscal year. A copy of the report shall also be submitted electronically  
3 to the governor's office of strategic planning and budgeting. The joint  
4 legislative budget committee staff, the governor's office of strategic  
5 planning and budgeting staff and the board staff shall agree on the format  
6 of the report.

7 8. On or before December 31 of each year, report to the joint  
8 legislative budget committee on all class B bond approvals by school  
9 districts in that year. Each school district shall report to the board on  
10 or before December 1 of each year information required by the board for  
11 the report prescribed in this paragraph.

12 D. The director of the division shall serve as the director of the  
13 school facilities oversight board. The director may hire and fire  
14 necessary staff subject to chapter 4, article 4 of this title and as  
15 approved by the legislature in the budget. The staff of the school  
16 facilities oversight board is exempt from chapter 4, articles 5 and 6 of  
17 this title. The director:

18 1. Shall analyze applications for monies submitted to the board and  
19 to the division by school districts.

20 2. Shall assist the board and the division in developing forms and  
21 procedures for distributing and reviewing applications and distributing  
22 monies to school districts.

23 3. May review or audit, or both, the expenditure of monies by a  
24 school district for deficiencies corrections and new school facilities.

25 4. Shall assist the board and the division in preparing the board's  
26 and division's annual reports.

27 5. Shall research and provide reports on issues of general interest  
28 to the board and the division.

29 6. May aid school districts in developing reasonable and  
30 cost-effective school designs in order to avoid statewide duplicated  
31 efforts and unwarranted expenditures in the area of school design.

32 7. May assist school districts in facilitating the development of  
33 multijurisdictional facilities.

34 8. Shall assist the board and the division in any other appropriate  
35 matter or method as directed by the division and the members of the board.

36 9. Shall establish procedures to ensure compliance with the notice  
37 and hearing requirements prescribed in section 15-905. The notice and  
38 hearing procedures adopted by the board shall include the requirement,  
39 with respect to the board's consideration of any application filed after  
40 July 1, 2001 or after December 31 of the year in which the property  
41 becomes territory in the vicinity of a military airport or ancillary  
42 military facility as defined in section 28-8461 for monies to fund the  
43 construction of new school facilities proposed to be located in territory  
44 in the vicinity of a military airport or ancillary military facility, that  
45 the military airport receive notification of the application by first

1 class mail at least thirty days before any hearing concerning the  
2 application.

3 10. May expedite any request for monies in which the local match  
4 was not obtained for a project that received preliminary approval by the  
5 state board for school capital facilities.

6 11. Shall expedite any request for monies in which the school  
7 district governing board submits an application that shows an immediate  
8 need for a new school facility.

9 12. Shall determine administrative completeness within one month  
10 after receiving an application from a school district for monies from the  
11 new school facilities fund.

12 13. Shall provide technical support to school districts as  
13 requested by school districts in connection with constructing new school  
14 facilities and maintaining existing school facilities and may contract  
15 directly with construction project managers pursuant to subsection B of  
16 this section. This paragraph does not restrict a school district from  
17 contracting with a construction project manager using district or state  
18 resources.

19 E. When appropriate, the board and the division shall review and  
20 use the statewide school facilities inventory and needs assessment  
21 conducted by the joint committee on capital review and issued in  
22 July, 1995.

23 F. The school facilities oversight board shall contract with one or  
24 more private building inspectors to complete an initial assessment of  
25 school facilities and equipment and shall inspect each school building in  
26 this state at least once every five years to ensure compliance with  
27 section 41-5711. A copy of the inspection report, together with any  
28 recommendations for building maintenance, shall be provided to the school  
29 facilities oversight board and the governing board of the school district.

30 G. The division or the board, as applicable, may consider  
31 appropriate combinations of facilities or uses in assessing and curing  
32 deficiencies pursuant to subsection A, paragraph 1 of this section and in  
33 certifying plans for new school facilities pursuant to subsection C,  
34 paragraph 2 of this section.

35 H. The board shall not award any monies to fund new facilities that  
36 are financed by class A bonds that are issued by the school district.

37 I. The board or the division shall not distribute monies to a  
38 school district for replacing or repairing facilities if the costs  
39 associated with the replacement or repair are covered by insurance or a  
40 performance or payment bond.

41 J. The division may contract for construction services and  
42 materials that are necessary to correct existing deficiencies in school  
43 district facilities. The division may procure the construction services  
44 necessary pursuant to this subsection by any method, including  
45 construction-manager-at-risk, design-build, design-bid-build or

1 job-order-contracting as provided by chapter 23 of this title. The  
2 construction planning and services performed pursuant to this subsection  
3 are exempt from section 41-791.01.

4 K. The division may enter into agreements with school districts to  
5 allow division staff and contractors access to school property for the  
6 purposes of performing the construction services necessary pursuant to  
7 subsection J of this section.

8 L. Each school district shall develop routine preventive  
9 maintenance guidelines for its facilities. The guidelines shall include  
10 plumbing systems, electrical systems, heating, ventilation and air  
11 conditioning systems, special equipment and other systems and for roofing  
12 systems shall recommend visual inspections performed by district staff for  
13 signs of structural stress and weakness. The guidelines shall be  
14 submitted to the division for review and approval. If on inspection by  
15 the division it is determined that a school district facility was  
16 inadequately maintained pursuant to the school district's routine  
17 preventive maintenance guidelines, the school district shall return the  
18 building to compliance with the school district's routine preventive  
19 maintenance guidelines.

20 M. The ~~board and the~~ division may temporarily transfer monies, or,  
21 if applicable, **THE BOARD MAY** direct the division to transfer monies,  
22 between the emergency deficiencies correction fund established by section  
23 41-5721 and the new school facilities fund established by section 41-5741  
24 if all of the following conditions are met:

25 1. The transfer is necessary to avoid a temporary shortfall in the  
26 fund into which the monies are transferred.

27 2. The transferred monies are restored to the fund where the monies  
28 originated as soon as practicable after the temporary shortfall in the  
29 other fund has been addressed.

30 3. The board and the division report to the joint committee on  
31 capital review the amount of and the reason for any monies transferred.

32 N. After notifying each school district, and if a written objection  
33 from the school district is not received by the board or the division  
34 within thirty days after the notification, the board or the division may  
35 access public utility company records of power, water, natural gas,  
36 telephone and broadband usage to assemble consistent and accurate data on  
37 utility consumption at school facilities to determine the effectiveness of  
38 facility design, operation and maintenance measures intended to reduce  
39 energy and water consumption and costs. Any public utility that provides  
40 service to a school district in this state shall provide the data  
41 requested by the board or the division pursuant to this subsection.

42 O. The division or the board shall not require a common school  
43 district that provides instruction to pupils in grade nine to obtain  
44 approval from the division or the board to reconfigure its school  
45 facilities. A common school district that provides instruction to pupils

1 in grade nine is not entitled to additional monies from the division or  
2 the board for facilities to educate pupils in grade nine.

3 P. A school district may appeal the denial of a request for monies  
4 pursuant to this chapter or any other appealable agency action by the  
5 division or the board pursuant to chapter 6, article 10 of this  
6 title. For the purposes of this subsection, "appealable agency action"  
7 has the same meaning prescribed in section 41-1092.

8 Sec. 6. Heading change

9 The article heading of title 41, chapter 56, article 10, Arizona  
10 Revised Statutes, is changed from "ACHIEVEMENT DISTRICT SCHOOLS" to  
11 "Arizona Achievement District".

12 Sec. 7. Repeal

13 Section 41-5841, Arizona Revised Statutes, is repealed.

14 Sec. 8. Title 41, chapter 56, article 10, Arizona Revised Statutes,  
15 is amended by adding a new section 41-5841, to read:

16 41-5841. Arizona achievement district; board

17 A. THE ARIZONA ACHIEVEMENT DISTRICT IS ESTABLISHED WITHIN THE  
18 DEPARTMENT OF ADMINISTRATION TO SUPPORT THE EXPANSION OF HIGH QUALITY  
19 PUBLIC SCHOOLS FOR STUDENTS IN THIS STATE. THE ARIZONA ACHIEVEMENT  
20 DISTRICT CONSISTS OF THE ARIZONA PUBLIC SCHOOL CREDIT ENHANCEMENT PROGRAM  
21 PURSUANT TO ARTICLE 11 OF THIS CHAPTER AND THE EXPANDING ACCESS TO  
22 EXCELLENT SCHOOLS PROGRAM PURSUANT TO ARTICLE 12 OF THIS CHAPTER.

23 B. THE ARIZONA ACHIEVEMENT DISTRICT BOARD IS ESTABLISHED TO GOVERN  
24 THE ARIZONA ACHIEVEMENT DISTRICT AND CONSISTS OF THE FOLLOWING MEMBERS WHO  
25 ARE APPOINTED BY THE GOVERNOR TO FOUR-YEAR TERMS:

26 1. TWO MEMBERS OF THE STATE BOARD OF EDUCATION.  
27 2. TWO MEMBERS OF THE STATE BOARD FOR CHARTER SCHOOLS.  
28 3. TWO MEMBERS OF THE BUSINESS COMMUNITY.  
29 4. THREE PUBLIC MEMBERS.

30 C. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL ESTABLISH AN  
31 APPLICATION PROCESS, APPLICATION FORMS AND SELECTION CRITERIA FOR A  
32 CHARTER SCHOOL OR A SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT IN THIS  
33 STATE TO QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL FOR THE PURPOSES OF  
34 ARTICLES 11 AND 12 OF THIS CHAPTER. A CHARTER SCHOOL OR A SCHOOL THAT IS  
35 OPERATED BY A SCHOOL DISTRICT THAT MEETS ALL OF THE FOLLOWING CRITERIA IS  
36 ELIGIBLE TO QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL:

37 1. HAS BEEN ASSIGNED A LETTER GRADE OF A, OR AN EQUIVALENT  
38 SUCCESSOR CLASSIFICATION, PURSUANT TO SECTION 15-241 FOR AT LEAST TWO  
39 CONSECUTIVE YEARS. AN ACHIEVEMENT DISTRICT SCHOOL THAT IS ASSIGNED A  
40 LETTER GRADE OF B, C, D OR F, OR AN EQUIVALENT SUCCESSOR CLASSIFICATION,  
41 PURSUANT TO SECTION 15-241 IN ANY COMBINATION FOR TWO CONSECUTIVE YEARS  
42 MAY NOT REMAIN A MEMBER OF THE ARIZONA ACHIEVEMENT DISTRICT.  
43 2. HAS PROVEN INSTRUCTIONAL STRATEGIES AND CURRICULA THAT  
44 DEMONSTRATE HIGH ACADEMIC OUTCOMES.  
45 3. HAS A VERIFIABLE ENROLLMENT DEMAND.

1       4. HAS A SOUND FINANCIAL PLAN THAT CONTEMPLATES OPERATIONAL COSTS  
2 AND FUTURE ENROLLMENT GROWTH.

3       5. HAS SHOWN A COMMITMENT TO PROVIDE TECHNICAL ASSISTANCE,  
4 INCLUDING BUSINESS SERVICES, CURRICULUM DEVELOPMENT AND TEACHER TRAINING,  
5 TO AN UNDERPERFORMING SCHOOL IN THIS STATE.

6       6. MEETS ANY OTHER CRITERIA ESTABLISHED BY THE ARIZONA ACHIEVEMENT  
7 DISTRICT BOARD.

8       D. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL ESTABLISH AN  
9 APPLICATION PROCESS, APPLICATION FORMS AND SELECTION CRITERIA FOR  
10 OUT-OF-STATE CHARTER SCHOOL OPERATORS WHO SEEK TO EXPAND IN THIS STATE TO  
11 QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL FOR THE PURPOSES OF ARTICLES 11  
12 AND 12 OF THIS CHAPTER. AN OUT-OF-STATE CHARTER SCHOOL OPERATOR THAT  
13 MEETS ALL OF THE FOLLOWING CRITERIA IS ELIGIBLE TO QUALIFY AS AN  
14 ACHIEVEMENT DISTRICT SCHOOL:

15       1. HAS PROVEN INSTRUCTIONAL STRATEGIES AND CURRICULA THAT  
16 DEMONSTRATE HIGH ACADEMIC OUTCOMES FOR STUDENTS FOR AT LEAST THREE YEARS.

17       2. HAS A VERIFIABLE ENROLLMENT DEMAND.

18       3. HAS A SOUND FINANCIAL PLAN THAT CONTEMPLATES OPERATIONAL COSTS  
19 AND FUTURE ENROLLMENT GROWTH.

20       4. HAS SHOWN A COMMITMENT TO PROVIDE TECHNICAL ASSISTANCE,  
21 INCLUDING BUSINESS SERVICES, CURRICULUM DEVELOPMENT AND TEACHER TRAINING,  
22 TO AN UNDERPERFORMING SCHOOL IN THIS STATE.

23       5. FOR A CHARTER SCHOOL, HAS BEEN GRANTED A CHARTER CONTRACT FROM A  
24 SPONSOR PURSUANT TO SECTION 15-183, SUBSECTION C.

25       6. MEETS ANY OTHER CRITERIA ESTABLISHED BY THE ARIZONA ACHIEVEMENT  
26 DISTRICT BOARD.

27       E. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL MEET REGULARLY TO  
28 EVALUATE ACHIEVEMENT DISTRICT SCHOOL APPLICATIONS AND SHALL EITHER APPROVE  
29 OR DENY EACH APPLICATION SUBMITTED. THE BOARD SHALL REPORT ITS DECISION  
30 ON EACH APPLICATION TO THE SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT OR  
31 CHARTER SCHOOL WITHIN TEN BUSINESS DAYS AFTER THE BOARD'S DECISION.

32       F. IF A SCHOOL'S APPLICATION IS APPROVED PURSUANT TO THIS SECTION,  
33 THE SCHOOL QUALIFIES AS AN ACHIEVEMENT DISTRICT SCHOOL AND IS ELIGIBLE TO  
34 APPLY FOR PARTICIPATION IN THE ARIZONA PUBLIC SCHOOL CREDIT ENHANCEMENT  
35 PROGRAM ESTABLISHED BY SECTION 41-5855 AND THE EXPANDING ACCESS TO  
36 EXCELLENT SCHOOLS PROGRAM ESTABLISHED BY SECTION 41-5863.

37       G. THE ARIZONA ACHIEVEMENT DISTRICT BOARD MAY REQUEST DATA FROM THE  
38 SCHOOL FACILITIES OVERSIGHT BOARD REGARDING VACANT BUILDINGS AND PARTIALLY  
39 USED BUILDINGS PURSUANT TO SECTION 15-119. THE DIVISION OF SCHOOL  
40 FACILITIES WITHIN THE DEPARTMENT OF ADMINISTRATION SHALL CERTIFY AND AUDIT  
41 THE DATA PROVIDED FOR THE PURPOSES OF SECTION 15-119 BY SCHOOL DISTRICTS  
42 REGARDING SCHOOLS THAT ARE ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO  
43 SECTION 15-241. THE DIVISION OF SCHOOL FACILITIES SHALL PROVIDE ANY DATA  
44 OR ASSISTANCE REGARDING POTENTIALLY AVAILABLE SPACE AT THE REQUEST OF THE  
45 ARIZONA ACHIEVEMENT DISTRICT BOARD.

1        Sec. 9. Title 41, chapter 56, Arizona Revised Statutes, is amended  
2 by adding article 12, to read:

3            ARTICLE 12. EXPANDING ACCESS TO EXCELLENT SCHOOLS PROGRAM

4            41-5861. Definitions

5            IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

6            1. "ACHIEVEMENT DISTRICT SCHOOL" MEANS ANY OF THE FOLLOWING:

7            (a) A SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT OR A CHARTER  
8 SCHOOL THAT QUALIFIES AS AN ACHIEVEMENT DISTRICT SCHOOL PURSUANT TO  
9 ARTICLE 10 OF THIS CHAPTER.

10            (b) AN OUT-OF-STATE CHARTER SCHOOL OPERATOR THAT QUALIFIES AS AN  
11 ACHIEVEMENT DISTRICT SCHOOL PURSUANT TO ARTICLE 10 OF THIS CHAPTER.

12            2. "BOARD" MEANS THE ARIZONA ACHIEVEMENT DISTRICT BOARD ESTABLISHED  
13 BY SECTION 41-5841.

14            3. "DISTRICT PARTNERSHIP SCHOOL" MEANS A SCHOOL THAT IS OPERATED BY  
15 A SCHOOL DISTRICT THAT SATISFIES ALL OF THE FOLLOWING CRITERIA:

16            (a) HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION  
17 15-241.

18            (b) CURRENTLY HAS STUDENTS ENROLLED IN THE SCHOOL.

19            (c) HAS ENTERED INTO A CONTRACTUAL PARTNERSHIP WITH A PROVEN, HIGH  
20 PERFORMING OPERATOR THAT IS A MEMBER OF THE ARIZONA ACHIEVEMENT DISTRICT  
21 AND THAT WILL OPERATE THE SCHOOL.

22            (d) PROVIDES THE OPERATOR DESCRIBED IN SUBDIVISION (c) OF THIS  
23 PARAGRAPH WITH CONTROL OVER THE STAFFING, LEADERSHIP, DAY-TO-DAY  
24 OPERATIONS, INSTRUCTIONAL PROGRAMMING AND SCHEDULE OF THE SCHOOL AND  
25 BUDGETING OF THOSE OPERATIONS.

26            4. "FRESH START SCHOOL" MEANS A SCHOOL THAT MEETS ALL OF THE  
27 FOLLOWING REQUIREMENTS:

28            (a) IS AUTONOMOUSLY OPERATED BY AN ACHIEVEMENT DISTRICT SCHOOL.

29            (b) OPERATES OUT OF A VACANT BUILDING OR OPERATES OUT OF A  
30 PARTIALLY USED BUILDING THAT IS BEING LEASED OR PURCHASED FROM A SCHOOL  
31 DISTRICT AND HAS NO AFFILIATION TO THE SCHOOL DISTRICT.

32            (c) REPLACES A SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR  
33 F PURSUANT TO SECTION 15-241 AT THE SAME CAMPUS, EXCEPT THAT IF THE  
34 ARIZONA ACHIEVEMENT DISTRICT BOARD DETERMINES THAT IT IS NOT PRACTICABLE  
35 TO OPERATE THE FRESH START SCHOOL AT THE SAME CAMPUS, THE ARIZONA  
36 ACHIEVEMENT DISTRICT BOARD MAY AUTHORIZE THE FRESH START SCHOOL TO OPERATE  
37 AT A DIFFERENT LOCATION WITHIN THE SAME ATTENDANCE BOUNDARIES OF THE  
38 SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION  
39 15-241.

40            5. "FUND" MEANS THE ARIZONA EXPANDING EXCELLENCE FUND ESTABLISHED  
41 BY SECTION 41-5862.

42            6. "PROGRAM" MEANS THE EXPANDING ACCESS TO EXCELLENT SCHOOLS  
43 PROGRAM ESTABLISHED BY SECTION 41-5863.

1           41-5862. Arizona expanding excellence fund

2           THE ARIZONA EXPANDING EXCELLENCE FUND IS ESTABLISHED FOR THE  
3 PURPOSES OF SEEDING HIGH QUALITY SCHOOLS IN THIS STATE PURSUANT TO THIS  
4 ARTICLE. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL ADMINISTER THE  
5 FUND. THE FUND CONSISTS OF LEGISLATIVE APPROPRIATIONS, GIFTS, GRANTS,  
6 DONATIONS AND ANY OTHER MONIES TRANSFERRED TO THE FUND. MONIES IN THE  
7 FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF  
8 SECTION 35-190 RELATING TO LAPSLING OF APPROPRIATIONS. THE BOARD MAY  
9 ACCEPT AND SPEND FEDERAL MONIES AND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS  
10 AND DEVISES TO ASSIST IN CARRYING OUT THE PURPOSES OF THIS SECTION. THE  
11 BOARD MAY USE NOT MORE THAN THREE PERCENT OF THE AVAILABLE MONIES IN THE  
12 FUND TO ADMINISTER THE PROGRAM.

13           41-5863. Expanding access to excellent schools program;  
14           district partnership schools; fresh start schools;  
15           annual report

16           A. THE EXPANDING ACCESS TO EXCELLENT SCHOOLS PROGRAM IS ESTABLISHED  
17 TO SUPPORT THE EXPANSION OF HIGH QUALITY SCHOOLS FOR STUDENTS IN THIS  
18 STATE. THE ARIZONA ACHIEVEMENT DISTRICT GOVERNING BOARD SHALL ESTABLISH  
19 RULES, POLICIES AND PROCEDURES TO ADMINISTER THE PROGRAM.

20           B. ANY OF THE FOLLOWING MAY APPLY TO THE PROGRAM TO REQUEST FUNDING  
21 FROM THE ARIZONA EXPANDING EXCELLENCE FUND ESTABLISHED BY SECTION 41-5862  
22 ON A ONETIME BASIS TO SEED THE OPERATIONS OF A NEW DISTRICT PARTNERSHIP  
23 SCHOOL OR FRESH START SCHOOL, AS APPLICABLE:

24           1. AN ACHIEVEMENT DISTRICT SCHOOL.

25           2. A SCHOOL DISTRICT THAT IS BEING REQUIRED TO PARTNER WITH AN  
26 ACHIEVEMENT DISTRICT SCHOOL OR TO CHANGE OPERATIONS OF A FAILING SCHOOL  
27 PURSUANT TO ANY LAW.

28           C. AN ACHIEVEMENT DISTRICT SCHOOL OR A SCHOOL DISTRICT THAT IS  
29 PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL MAY APPLY TO THE ARIZONA  
30 ACHIEVEMENT DISTRICT BOARD FOR NOT MORE THAN \$2,000 PER STUDENT TO SEED  
31 THE OPERATIONS OF A DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL.  
32 AFTER APPROVAL BY THE BOARD, THE DEPARTMENT OF ADMINISTRATION SHALL  
33 DISTRIBUTE THESE MONIES TO THE ACHIEVEMENT DISTRICT SCHOOL OR THE SCHOOL  
34 DISTRICT THAT IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL FROM THE  
35 ARIZONA EXPANDING EXCELLENCE FUND. AN ACHIEVEMENT DISTRICT SCHOOL OR A  
36 SCHOOL DISTRICT THAT IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL MAY  
37 NOT RECEIVE ALLOCATIONS PURSUANT TO THIS SECTION MORE THAN ONCE FOR ANY  
38 ONE DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL. FOR DISTRICT  
39 PARTNERSHIP SCHOOLS, ALLOCATIONS PURSUANT TO THIS SUBSECTION ARE  
40 CALCULATED BASED ON THE CURRENT NUMBER OF ENROLLED STUDENTS. FOR FRESH  
41 START SCHOOLS, ALLOCATIONS PURSUANT TO THIS SUBSECTION ARE CALCULATED  
42 BASED ON THE NUMBER OF STUDENTS CURRENTLY ENROLLED AT THE SCHOOL THAT THE  
43 FRESH START SCHOOL IS REPLACING OR, IF MULTIPLE SCHOOLS ARE BEING  
44 CONSOLIDATED, ON THE ESTIMATED NUMBER OF STUDENTS SERVED. FUNDING SHALL

1 BE ALLOCATED TO A PARTY ONLY ONCE THE BOARD HAS APPROVED AN AGREEMENT FOR  
2 A DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL.

3 D. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL DEVELOP A PROCESS  
4 FOR ESTABLISHING DISTRICT PARTNERSHIP SCHOOLS. THE SCHOOL DISTRICT  
5 GOVERNING BOARD OF A SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR  
6 F PURSUANT TO SECTION 15-241 MAY EITHER:

7 1. APPROACH THE ARIZONA ACHIEVEMENT DISTRICT BOARD WITH AN ALREADY  
8 SELECTED ACHIEVEMENT DISTRICT SCHOOL THAT HAS DEMONSTRATED SUCCESSFUL  
9 STUDENT ACHIEVEMENT OUTCOMES WITH SERVING STUDENTS WITH SIMILAR  
10 DEMOGRAPHICS.

11 2. REQUEST THE ARIZONA ACHIEVEMENT DISTRICT BOARD TO SELECT AN  
12 ACHIEVEMENT DISTRICT SCHOOL THAT HAS DEMONSTRATED SUCCESSFUL STUDENT  
13 ACHIEVEMENT OUTCOMES WITH SERVING STUDENTS WITH SIMILAR DEMOGRAPHICS TO  
14 PARTNER WITH THE SCHOOL DISTRICT.

15 E. ANY CONTRACTUAL AGREEMENT TO ESTABLISH A DISTRICT PARTNERSHIP  
16 SCHOOL:

17 1. SHALL INCLUDE THE FOLLOWING PROVISIONS:

18 (a) THAT THE STUDENTS REMAIN STUDENTS OF THE SCHOOL DISTRICT FOR  
19 THE PURPOSES OF FUTURE ACCOUNTABILITY, INCLUDING LETTER GRADES OR OTHER  
20 ACADEMIC ACCOUNTABILITY AS PRESCRIBED BY LAW, AND GENERATING FUNDING  
21 ALLOCATED TO THE SCHOOL DISTRICT FOR THE PURPOSES OF ENROLLMENT.

22 (b) THAT FUNDING ALLOCATED TO THE ACHIEVEMENT DISTRICT SCHOOL SHALL  
23 BE AGREED ON AND APPROVED BY THE ARIZONA ACHIEVEMENT DISTRICT BOARD. ALL  
24 FUNDING ALLOCATED TO THE ACHIEVEMENT DISTRICT SCHOOL IS CONTROLLED BY THE  
25 ACHIEVEMENT DISTRICT SCHOOL OPERATOR.

26 (c) THAT THE DISTRICT PARTNERSHIP SCHOOL MAY MANAGE ITS TEACHING  
27 STAFF AND INSTRUCTIONAL PERSONNEL AS PRESCRIBED IN SECTION 15-183.

28 (d) PROVISIONS FOR THE TRANSPORTATION OF STUDENTS TO THE DISTRICT  
29 PARTNERSHIP SCHOOL. IF THE ACHIEVEMENT DISTRICT SCHOOL PROVIDES STUDENTS  
30 WITH TRANSPORTATION TO THE DISTRICT PARTNERSHIP SCHOOL, THE AGREEMENT MUST  
31 PROVIDE THAT THE SCHOOL DISTRICT REIMBURSE THE ACHIEVEMENT DISTRICT SCHOOL  
32 IN AN AMOUNT THAT EQUALS THE AMOUNT OF TRANSPORTATION FUNDING THAT THE  
33 SCHOOL DISTRICT RECEIVES FOR THOSE STUDENTS. FOR THE PURPOSES OF  
34 CALCULATING TRANSPORTATION FUNDING IN FUTURE YEARS AND FOR ALL OTHER  
35 PURPOSES, IT SHALL BE ASSUMED THAT THE SCHOOL DISTRICT AND NOT THE  
36 ACHIEVEMENT DISTRICT SCHOOL PROVIDED TRANSPORTATION TO THE DISTRICT  
37 PARTNERSHIP SCHOOL.

38 (e) THAT THE TERM OF THE OPERATIONAL AGREEMENT SHALL BE FOR AT  
39 LEAST THREE YEARS AND THAT THE OPERATIONAL AGREEMENT MAY NOT BE CHANGED OR  
40 REVOKED BY THE SCHOOL DISTRICT, EXCEPT THAT THE ARIZONA ACHIEVEMENT  
41 DISTRICT BOARD MAY MAKE CHANGES TO OR REVOKE AN EXISTING AGREEMENT  
42 PURSUANT TO THREE-YEAR PERFORMANCE REVIEWS. THE BOARD SHALL MAKE CHANGES  
43 TO OR REVOKE AN EXISTING AGREEMENT IF THE DISTRICT PARTNERSHIP SCHOOL DOES  
44 NOT ACHIEVE A LETTER GRADE OF A OR B PURSUANT TO SECTION 15-241 WITHIN

1 THREE YEARS OR RECEIVES A LETTER GRADE OF C, D OR F PURSUANT TO SECTION  
2 15-241 IN ANY COMBINATION FOR TWO CONSECUTIVE YEARS.

3 2. MAY INCLUDE A PROVISION THAT ALLOWS THE ACHIEVEMENT DISTRICT  
4 SCHOOL OPERATOR TO BE REQUIRED TO MAINTAIN THE BUILDING OR MAKE BUILDING  
5 IMPROVEMENTS. IF THIS PROVISION IS INCLUDED IN THE AGREEMENT, THE  
6 OPERATIONAL AGREEMENT SHALL BE TRIPLE NET.

7 F. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL DEVELOP A PROCESS  
8 TO APPROVE A FRESH START SCHOOL TO REPLACE THE SCHOOL THAT HAS BEEN  
9 ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241 WITH A HIGH  
10 QUALITY SCHOOL. A FRESH START SCHOOL THAT IS APPROVED BY THE BOARD IS THE  
11 SCHOOL OF RECORD FOR THE PURPOSES OF LETTER GRADES, GENERATING FUNDING  
12 THROUGH APPLICABLE FUNDING FORMULAS AND GOVERNANCE. A CHARTER SCHOOL MAY  
13 NOT BEGIN OPERATING AS A FRESH START SCHOOL OR GENERATE FUNDING AS A FRESH  
14 START SCHOOL UNTIL THE CHARTER SPONSOR APPROVES THE NEW FRESH START SCHOOL  
15 PURSUANT TO SECTION 15-183. A FRESH START SCHOOL MAY BE STARTED BY AN  
16 ACHIEVEMENT DISTRICT SCHOOL IN A VACANT BUILDING OR PARTIALLY USED  
17 BUILDING OF A SCHOOL DISTRICT THAT HAS EITHER VOLUNTARILY DETERMINED TO  
18 MAKE THE BUILDING AVAILABLE FOR USE OR HAS BEEN COMPELLED BY LAW TO DEPLOY  
19 THE BUILDING FOR PUBLIC USE. NOTWITHSTANDING ANY OTHER LAW, WHEN USING A  
20 SCHOOL DISTRICT BUILDING, THE ACHIEVEMENT DISTRICT SCHOOL SHALL EITHER BE  
21 GRANTED A TWENTY-FIVE-YEAR TRIPLE NET LEASE OR SHALL PURCHASE THE BUILDING  
22 AT MARKET RATE. NOTWITHSTANDING SECTION 15-342, SELLING OR LEASING A  
23 BUILDING TO AN ACHIEVEMENT DISTRICT SCHOOL PURSUANT TO THIS PARAGRAPH DOES  
24 NOT REQUIRE AUTHORIZATION BY A VOTE OF THE SCHOOL DISTRICT ELECTORS.  
25 NOTWITHSTANDING SECTION 15-342, A FRESH START SCHOOL MAY NOT LEASE OR  
26 SUBLET ANY BUILDING IN WHICH THE FRESH START SCHOOL OPERATES FOR  
27 NONEDUCATIONAL PURPOSES. THE BOARD SHALL COMPLETE AN INITIAL THREE-YEAR  
28 PERFORMANCE REVIEW FOLLOWED BY SUBSEQUENT FIVE-YEAR PERFORMANCE REVIEWS  
29 FOR APPLICABLE LEASE AGREEMENTS. LEASES MAY NOT BE TERMINATED OR REVOKED  
30 BY THE SCHOOL DISTRICT AND MAY BE TERMINATED OR REVOKED ONLY BY THE BOARD.  
31 A FRESH START SCHOOL SHALL ENROLL STUDENTS AS PRESCRIBED IN SECTION  
32 15-184, EXCEPT THAT A FRESH START SCHOOL SHALL RESERVE SPACE FOR AND ADMIT  
33 ANY STUDENT WHO RESIDES WITHIN THE PREVIOUS ATTENDANCE BOUNDARY OF THE  
34 SCHOOL THAT WAS ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION  
35 15-241.

36 G. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ARIZONA ACHIEVEMENT  
37 DISTRICT BOARD SHALL SUBMIT A REPORT TO THE PRESIDENT OF THE SENATE, THE  
38 SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE GOVERNOR AND SHALL  
39 TRANSMIT A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE REPORT  
40 SHALL INCLUDE ALL OF THE FOLLOWING:

41 1. THE NUMBER OF FRESH START SCHOOLS APPROVED BY THE BOARD AND THE  
42 NUMBER OF STUDENTS IMPACTED.

43 2. THE NUMBER OF DISTRICT PARTNERSHIP SCHOOLS APPROVED BY THE BOARD  
44 AND THE NUMBER OF STUDENTS IMPACTED.

1       3. ANY ACADEMIC PERFORMANCE INDICATORS OF CURRENTLY OPERATING FRESH  
2 START SCHOOLS OR DISTRICT PARTNERSHIP SCHOOLS.

3       4. THE AMOUNT OF MONIES DISTRIBUTED FROM THE FUND AND TO WHOM AND  
4 IN WHAT AMOUNTS THE MONIES WERE DISTRIBUTED.

5       5. ANY OTHER RELEVANT INFORMATION ABOUT THE PERFORMANCE OF THE  
6 PROGRAM.

7       Sec. 10. Operation excellence school improvement program;  
8                   school achievement improvement fund;  
9                   distributions; improvement plans; request for  
10                   proposals; independent school improvement  
11                   partners; delayed repeal

12       A. Beginning in fiscal year 2022-2023, the operation excellence  
13 school improvement program is established to improve academic outcomes and  
14 opportunities for all students in schools that meet the eligibility  
15 requirements prescribed in subsection C of this section. Schools that  
16 receive funding from the school achievement improvement fund pursuant to  
17 this section shall prioritize these resources to implement evidence-based,  
18 proven strategies to increase academic proficiency and growth.

19       B. The school achievement improvement fund is established for the  
20 purposes of this section. The fund consists of legislative  
21 appropriations, gifts, grants, donations and any other monies transferred  
22 to the fund. The department of education shall administer the fund at the  
23 direction of the state board of education. Monies in the fund are  
24 continuously appropriated and are exempt from the provisions of section  
25 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,  
26 except that any monies remaining in the fund on December 31, 2028 revert  
27 to the state general fund. The department of education may accept and  
28 spend federal monies and private grants, gifts, contributions and devises  
29 to assist in carrying out this section.

30       C. Beginning January 1, 2023, the state board of education shall  
31 identify schools that will be designated as operation excellence schools.  
32 The state board shall identify a school that meets either of the following  
33 criteria:

34       1. Any school operated by a school district or charter holder that  
35 received a letter grade of D or F during both the 2018-2019 fiscal year  
36 and the 2021-2022 fiscal year pursuant to section 15-241, Arizona Revised  
37 Statutes.

38       2. Any school operated by a school district or charter holder that  
39 has been identified by the department of education as a school requiring  
40 comprehensive support and improvement for low achievement pursuant to the  
41 every student succeeds act (P.L. 114-95; 129 Stat. 1802) in the prior or  
42 most recent fiscal year.

43       D. A school operated by a school district or charter holder may opt  
44 to participate in the operation excellence school improvement program by

1 notifying the state board of education. A school may opt into operation  
2 excellence only if both of the following apply:

3       1. The school is operated by a school district or charter holder  
4 that received a letter grade of C, D or F during the 2018-2019 fiscal year  
5 or the 2021-2022 fiscal year pursuant to section 15-241, Arizona Revised  
6 Statutes.

7       2. At least sixty percent of the pupils enrolled in the school meet  
8 the eligibility requirements established under the national school lunch  
9 and child nutrition acts (42 United States Code sections 1751 through  
10 1793) for free or reduced-price lunches, or an equivalent measure  
11 recognized for participating in the federal free and reduced-price lunch  
12 program and other school programs dependent on a poverty measure,  
13 including the community eligibility provision for which free and  
14 reduced-price lunch data is not available. For the purpose of this  
15 paragraph, only students who are eligible to be included in a school's  
16 student count shall be considered in determining that school's percentage  
17 of free or reduced-price lunch students or other poverty indicators.

18       E. On or before January 30, 2023, a school that is operated by a  
19 school district or a charter school that is identified pursuant to  
20 subsection C of this section shall notify the state board of education of  
21 its determination pursuant to this subsection. A school that is opting to  
22 participate pursuant to subsection D of this section shall notify the  
23 state board of education on or before January 30, 2023. A school that is  
24 designated as an operation excellence school pursuant to subsection C of  
25 this section may select one of the following options:

26       1. Engage in targeted school improvement pursuant to this section.  
27       2. Select to participate in either a district partnership school or  
28 a fresh start school pursuant to section 41-5863, Arizona Revised  
29 Statutes, as added by this act. A school may not select this option until  
30 the Arizona achievement district board develops processes for establishing  
31 district partnership schools and approving fresh start schools under  
32 section 41-5863, Arizona Revised Statutes, as added by this act.

33       3. Close or consolidate the failing school.

34       F. Notwithstanding any other law, a charter school that is  
35 participating in the operation excellence school improvement program is  
36 not immune from or otherwise protected against the charter school's  
37 sponsor revoking the charter school's charter during the duration of the  
38 charter school's participation in the program.

39       G. For fiscal years 2023-2024, 2024-2025 and 2025-2026, at the  
40 direction of the state board of education, the department of education  
41 shall distribute monies from the school achievement improvement fund to  
42 school districts and charter schools that have selected to engage in  
43 school improvement pursuant to subsection D or subsection E, paragraph 1  
44 of this section in the amount of \$150 per student who is enrolled in the  
45 current school year. A school that is eligible to receive funding for the

1 small school weight prescribed in section 15-943, paragraph 1, Arizona  
2 Revised Statutes, may not receive less than \$30,000 in total funding  
3 pursuant to this subsection. Schools that have selected to participate in  
4 a district partnership school or fresh start school pursuant to subsection  
5 E, paragraph 2 of this section are not eligible to receive funding from  
6 the school achievement improvement fund.

7 H. Any monies a school district or charter holder receives from the  
8 school achievement improvement fund shall be separately accounted for in  
9 the school district's or charter holder's annual financial report.

10 I. All monies a school district or charter holder receives pursuant  
11 to this section shall be spent at and for the benefit of a qualifying  
12 school site.

13 J. The department of education shall disburse funding only for that  
14 fiscal year on the state board of education's approval of the school's  
15 improvement plan submitted pursuant to subsection K, L or M of this  
16 section. The state board of education shall direct the department of  
17 education to provide payments to schools for the operation excellence  
18 school improvement program that are in compliance with this section on  
19 July 1 of each year. If the appropriated amount is not sufficient to  
20 fully pay each school, the department of education shall proportionately  
21 allocate the funding per student.

22 K. Not later than March 1, 2023, a school district or charter  
23 holder of a school that meets the requirements prescribed in subsection D  
24 of this section shall submit to the state board of education an  
25 improvement plan to improve student outcomes, which may include targeted  
26 academic interventions, professional development, adaptive technology or  
27 other evidence-based, proven strategies to close the achievement gap. The  
28 plan must also identify a mentor who can assist with academic achievement.  
29 The mentor must be a current or former school leader with a demonstrable  
30 record of leading a successful school improvement effort and must commit  
31 to providing regular check-ins and advice to the participating school  
32 leader whom the person is mentoring.

33 L. The school district governing board of a school that meets the  
34 requirements prescribed in subsection E, paragraph 1 of this section is  
35 subject to both of the following:

36 1. The school district governing board shall establish an operation  
37 excellence committee composed of at least all of the following:

38 (a) The superintendent of the school district.

39 (b) The school principal from the identified school.

40 (c) At least one parent of a child who attends the identified  
41 school and at least one teacher from the identified school. There shall  
42 be an equal number of parents and teachers on the committee.

43 2. Not later than March 1, 2023, the operation excellence committee  
44 shall submit an improvement plan to the state board of education to  
45 improve student outcomes, which may include targeted academic

1 interventions, professional development, adaptive technology or other  
2 evidence-based, proven strategies to close the achievement gap. The  
3 committee shall inform the state board of education which approved school  
4 improvement partner or partners from the partner network list identified  
5 by the state board pursuant to subsection N of this section shall  
6 implement the improvement plan developed under this paragraph.

7 M. The charter holder of a charter school that meets the  
8 requirements prescribed in subsection E, paragraph 1 of this section is  
9 subject to both of the following:

10 1. The charter holder shall establish an operation excellence  
11 committee composed of at least all of the following:

12 (a) The chief administrative officer of the identified charter  
13 school.

14 (b) The school principal from the identified charter school.

15 (c) At least one parent of a child who attends the identified  
16 school and at least one teacher from the identified school. There shall  
17 be an equal number of parents and teachers on the committee.

18 2. Not later than March 1, 2023, the committee shall submit an  
19 improvement plan to the state board of education to improve student  
20 outcomes, which may include targeted academic interventions, professional  
21 development, adaptive technology or other evidence-based, proven  
22 strategies to close the achievement gap. The committee shall partner with  
23 approved independent school improvement partners from the partner network  
24 list identified by the state board of education pursuant to subsection N  
25 of this section to implement the improvement plan developed under this  
26 paragraph.

27 N. On or before January 1, 2023, the state board of education shall  
28 identify approved independent school improvement partners to be included  
29 on a partner network list through a request for proposals process. A  
30 school district or the charter holder of a school that meets the  
31 requirements prescribed in subsection E, paragraph 1 of this section shall  
32 select from the partner network list to implement, in partnership with the  
33 school's operation excellence committee, the improvement plan submitted  
34 under subsection L or M of this section. A state agency, or any  
35 subsidiary of the state agency, that meets the criteria prescribed in  
36 subsection O of this section is eligible for inclusion on the partner  
37 network list.

38 O. For the purposes of subsection N of this section, the state  
39 board of education shall award contracts to independent school improvement  
40 partners that meet all of the following requirements:

41 1. Have a credible track record of improving student academic  
42 achievement in public schools with various demographic characteristics, as  
43 measured by statewide assessments.

44 2. Have experience designing, implementing and evaluating  
45 data-driven instructional systems in public schools.

1       3. Have experience coaching public school administrators and  
2 teachers on designing and implementing data-driven school improvement  
3 plans.

4       4. Have experience delivering high quality professional development  
5 and coaching in instructional effectiveness to public school  
6 administrators and teachers.

7       P. In addition to assisting in implementing the improvement plan  
8 prescribed in subsection L or M of this section, the state board of  
9 education shall assist the operation excellence school in all of the  
10 following:

11      1. Collecting and analyzing data on student achievement.  
12      2. Recommending changes to the school to improve student  
13 achievement.

14      3. Monitoring the implementation of the improvement plan.  
15      4. Providing implementation support for the improvement plan.

16       Q. If a participating school is not demonstrating student academic  
17 growth or is otherwise dissatisfied with the services provided by a  
18 contracted independent school improvement partner, the school may submit a  
19 request to the state board of education to cancel that contract and select  
20 a different independent school improvement partner at the approval by the  
21 state board of education.

22       R. The state board of education shall review and approve all plans  
23 submitted under this section within ninety days after submission.

24       S. If a school district has an existing improvement plan on file  
25 with the department of education under any provision of title 15, Arizona  
26 Revised Statutes, or pursuant to the every student succeeds act (P.L.  
27 114-95; 129 Stat. 1802), the plan submitted under this section must  
28 attempt to align with or expand on the existing improvement plan.

29       T. The state board of education may adopt rules, policies and  
30 procedures to carry out this section, including rules to establish an  
31 appeals process for a school that does not receive approval of its plan.

32       U. On or before June 1 of each year, each school that received  
33 monies pursuant to this section in the prior fiscal year shall submit a  
34 report to the state board of education that describes how the improvement  
35 plan developed pursuant to this section has improved student academic  
36 achievement. The state board of education may request additional  
37 information or data to be included in these reports. The state board of  
38 education may require additional reports as needed throughout the year to  
39 assess a school's progress. The state board of education shall review  
40 each improvement plan annually and require any modifications. If an  
41 improvement plan or report is not submitted, the state board of education  
42 shall withhold monies under this section until the plan or report is  
43 submitted according to this section.

44       V. On or before October 1, 2024, October 1, 2025 and October 1,  
45 2026, the state board of education shall compile each report submitted

1 pursuant to subsection U of this section and provide that information to  
2 the joint legislative budget committee, the governor's office of strategic  
3 planning and budgeting and the chairpersons of the education committees of  
4 the house of representatives and the senate, or their successor  
5 committees.

6 W. On or before December 1, 2027, the state board of education  
7 shall submit a final report on the operation excellence school improvement  
8 program to the governor, the president of the senate, the speaker of the  
9 house of representatives, the joint legislative budget committee and the  
10 governor's office of strategic planning and budgeting and shall provide a  
11 copy of the report to the secretary of state. The report shall include  
12 information on all of the following:

13 1. The schools and independent school improvement partners that  
14 participated in the program.

15 2. The academic progress of students in schools participating in  
16 the program.

17 3. Any other information necessary to evaluate the effectiveness of  
18 the program.

19 X. Except as provided in subsection Y of this section, for any  
20 school that is operated by a school district, that participated in the  
21 program under this section and that does not achieve a letter grade of at  
22 least a C pursuant to section 15-241, Arizona Revised Statutes, as amended  
23 by this act, in fiscal year 2025-2026, the state board of education shall  
24 do one of the following:

25 1. Require the school to initiate either a district partnership  
26 school or a fresh start school pursuant to section 41-5863, Arizona  
27 Revised Statutes, as added by this act.

28 2. Both:

29 (a) Direct the superintendent of public instruction and the county  
30 educational service agency to collaborate to assign a solutions team under  
31 section 15-241.02, subsection E, Arizona Revised Statutes.

32 (b) Hold a public hearing to provide an alternative operation plan  
33 for the school pursuant to section 15-241.02, subsection K, Arizona  
34 Revised Statutes, as amended by this act.

35 3. If the state board of education determines that there are one or  
36 more nearby public schools that are higher achieving than the school and  
37 that have adequate capacity to serve the students that would be displaced  
38 by the school closure or consolidation, require the school district to  
39 close or consolidate the school.

40 Y. For a school operated by a school district that does not achieve  
41 a letter grade of at least a C pursuant to section 15-241, Arizona Revised  
42 Statutes, as amended by this act, in fiscal year 2025-2026 but that has  
43 demonstrated significant improvement as determined by the state board of  
44 education, the state board of education may provide the school not more  
45 than two additional school years to improve the school's letter grade to a

1 letter grade of a C or better pursuant to section 15-241, Arizona Revised  
2 Statutes, as amended by this act. If the school does not achieve a letter  
3 grade of at least a C pursuant to section 15-241, Arizona Revised  
4 Statutes, as amended by this act, after a period of not more than two  
5 additional school years, the school shall take either of the two actions  
6 prescribed in subsection X of this section.

7 Z. The state board of education shall work with school improvement  
8 experts that have proven to be successful in this state to develop an  
9 evidence-based model framework for school improvement.

10 AA. This section is repealed from and after December 31, 2028.

11 Sec. 11. Existing achievement district schools; continued status

12 Notwithstanding section 41-5841, Arizona Revised Statutes, as added  
13 by this act, a public school that was approved as an achievement district  
14 school under section 41-5841, Arizona Revised Statutes, as repealed by  
15 this act, before the effective date of this act:

16 1. Is an achievement district school under section 41-5841, Arizona  
17 Revised Statutes, as added by this act, beginning on the effective date of  
18 this act.

19 2. Is not required to reapply under section 41-5841, Arizona  
20 Revised Statutes, as added by this act, to maintain its status as an  
21 achievement district school.

22 Sec. 12. Exemption from rulemaking

23 Notwithstanding any other law, for the purposes of this title 41,  
24 chapter 56, article 12, Arizona Revised Statutes, as added by this act,  
25 the Arizona achievement district governing board is exempt from the  
26 rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes,  
27 for one year after the effective date of this act.

28 Sec. 13. Appropriations: school achievement improvement fund;  
29 state board of education

30 A. The sum of \$58,000,000 is appropriated from the state general  
31 fund in each of fiscal years 2022-2023, 2023-2024 and 2024-2025 to the  
32 school achievement improvement fund established by section 10 of this act.

33 B. Of the amounts appropriated under subsection A of this section,  
34 the state board of education may use up to \$1,000,000 in each of fiscal  
35 years 2022-2023, 2023-2024 and 2024-2025 to administer the operation  
36 excellence school improvement program established by section 10 of this  
37 act. Notwithstanding any other law, seven full-time equivalent positions  
38 are appropriated from the state general fund in each of fiscal years  
39 2022-2023, 2023-2024 and 2024-2025 to the state board of education for the  
40 purposes prescribed in this subsection.

41 Sec. 14. Retroactivity

42 This act applies retroactively to from and after June 30, 2022.