

REFERENCE TITLE: schools; operation; improvements

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

HB 2808

Introduced by
Representatives Udall: Dunn

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.

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

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

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

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

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

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

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

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

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

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

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

2. Ensure that it is nonsectarian in its programs, admission 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.

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

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

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

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

JJ. NOTWITHSTANDING ANY OTHER LAW, A CHARTER SCHOOL THAT IS A MEMBER OF THE ARIZONA ACHIEVEMENT DISTRICT ESTABLISHED BY SECTION 41-5841:

1. IS NOT SUBJECT TO ANY ENROLLMENT CAPS PRESCRIBED BY ITS SPONSOR.

2. MAY EXPAND AND SERVE ADDITIONAL STUDENTS AND SHALL NOTIFY ITS SPONSOR OF THE EXPANSION AND THE NUMBER OF ADDITIONAL STUDENTS IT PLANS ON SERVING.

KK. NOTWITHSTANDING ANY OTHER LAW, THE SPONSOR OF A CHARTER SCHOOL MAY IMMEDIATELY REVOKE THE CHARTER OF THE CHARTER SCHOOL IF THE CHARTER SCHOOL IS ASSIGNED A LETTER GRADE OF F PURSUANT TO SECTION 15-241 OR OTHERWISE FAILS TO MEET THE ACADEMIC PERFORMANCE FRAMEWORK REQUIRED PURSUANT TO THIS SECTION.

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

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

A. On or before November 1 of each year, the department of education shall compile for each public school and local education agency, and shall recommend to the state board of education, an annual achievement profile that consists of an educational dashboard that reflects the achievement for each public school and local education agency on the academic and educational performance indicators prescribed in subsection D

1 of this section, except that a career technical education district may not
2 be assigned a letter grade pursuant to this section. The department shall
3 provide any technical assistance needed by the state board to make final
4 adoption of the annual achievement profile.

5 B. Each school, charter holder and school district shall submit to
6 the department of education any data that is required and requested and
7 that is necessary to compile the achievement profile. A school or local
8 education agency that fails to submit the information that is necessary is
9 not eligible to receive monies from the classroom site fund established by
10 section 15-977.

11 C. The annual achievement profile compiled by the department of
12 education and recommended to the state board of education shall be used to
13 determine a standard measurement of acceptable academic progress for each
14 school and local education agency and a school and local education agency
15 classification pursuant to subsection G of this section. Any disclosure
16 of educational records compiled by the department pursuant to this section
17 shall comply with the family educational rights and privacy act of 1974
18 (20 United States Code section 1232g).

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

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

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

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

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

34 5. **STUDENT** academic progress on assessments administered pursuant
35 to section 15-741.02.

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

39 E. If neither the school nor the school district meets the minimum
40 student count as recommended by the department of education and approved
41 by the state board of education for any of the performance indicators
42 prescribed in subsection D of this section, the performance indicator
43 shall not be factored into the letter grade assigned pursuant to this
44 section.

1 F. Subject to final adoption by the state board of education, the
2 department of education shall determine the criteria for each school and
3 local education agency classification on each performance indicator of the
4 annual achievement profile prescribed in subsection D of this section
5 using a ~~researched-based~~ RESEARCH-BASED methodology and shall recommend to
6 the state board for final adoption the criteria for each school and local
7 education agency classification. The department shall develop the
8 methodology in collaboration with a coalition of qualified technical and
9 policy stakeholders appointed by the state board. The department shall
10 provide technical assistance and, on request, student or statewide
11 performance indicator data needed to determine and calculate the
12 methodology and final letter grades. At a minimum, the methodology shall
13 include the performance of pupils at all achievement levels, account for
14 pupil mobility, account for the distribution of pupil achievement at each
15 school and local education agency and include longitudinal indicators of
16 academic performance. For the purposes of this subsection,
17 "~~researched-based~~ RESEARCH-BASED methodology" means the systematic and
18 objective application of statistical and quantitative research principles
19 to calculate the indicators used to determine A through F letter grades.

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

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

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

J. The department of education shall establish a process, including a deadline for when requests must be submitted, for a school or local education agency to correct student data used to determine the school's or local education agency's annual achievement profile. If a correction to student data is required, the department shall notify the school or local education agency of the data correction process and shall annually process student data correction requests. The state board of education shall establish an appeals process to allow a school or local education agency to appeal the school's or local education agency's final letter grade, or a letter grade applied to a performance indicator prescribed in subsection D of this section, based on mitigating factors, including achievement profile designations based on incorrect data, identified by the department.

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

L. THE DEPARTMENT OF EDUCATION MAY NOT HAVE A SEPARATE ACCOUNTABILITY SYSTEM TO IDENTIFY THE PERFORMANCE OF SCHOOLS. THIS STATE SHALL HAVE ONLY ONE ACCOUNTABILITY SYSTEM FOR THE PERFORMANCE OF SCHOOLS. THE STATE BOARD OF EDUCATION SHALL ADOPT ANY RULES, POLICIES AND PROCEDURES TO ENSURE THAT THIS STATE IS CLASSIFYING SCHOOLS FOR SCHOOL IMPROVEMENT CONSISTENT WITH THE EVERY STUDENT SUCCEEDS ACT (P.L. 114-95; 129 STAT. 1802).

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

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

15-241.01. School accountability; alternative operation plans

A. If a school district has six or more schools and at least one-half of the schools in the district are assigned a letter grade of D or F pursuant to this section and at least one school is assigned a letter grade of F, the department of education may submit to the state board of education a recommendation for a public hearing to determine ~~if~~ WHETHER

1 the school district should be subject to an alternative operation plan and
2 the reasons for that recommendation. When considering whether to
3 recommend a public hearing pursuant to this subsection, the department
4 shall consider at least the following:

5 1. The likelihood that continued school-based interventions will be
6 successful.

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

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

13 B. If the department of education recommends a public hearing
14 pursuant to subsection A of this section, the state board of education
15 shall meet and may provide by a majority vote of the entire board for the
16 development and implementation of an alternative operation plan as allowed
17 by this section. When determining whether to place a school district
18 under an alternative operation plan, the state board shall consider at
19 least the following:

20 1. The likelihood that continued school-based interventions will be
21 successful.

22 2. The extent to which the school district administrators and the
23 school district governing board impacted the assignment of the letter
24 grades D and F to the district's schools.

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

28 C. Before a PUBLIC hearing is held pursuant to subsection B of this
29 section, the department of education shall recommend to the state board of
30 education at least three governmental, nonprofit or private organizations
31 or persons to manage the school district's affairs. If the state board
32 approves the implementation of an alternative operation plan, it shall
33 make an appointment from the list provided by the department of
34 education. On making this appointment the state board shall immediately
35 determine which powers enumerated in subsection D of this section ~~shall~~
36 WILL be temporarily granted to the appointed organization or person. The
37 authority granted pursuant to this subsection ~~shall be~~ IS effective until
38 the state board reviews the alternative operation plan as described in
39 subsection E of this section.

40 D. An organization or person appointed pursuant to subsection C of
41 this section shall begin a full review and investigation of the school
42 district's educational affairs and shall submit to the state board of
43 education a detailed report listing the findings of that investigation.
44 This report shall include an alternative operation plan that details how
45 the school district will raise the level of academic achievement so that

1 all of the schools in the school district are assigned ~~grade letters~~
2 LETTER GRADES of A, B or C pursuant to this section. The plan shall
3 include a proposed timeline for improving academic achievement. The
4 alternative operation plan shall also include a timeline and details
5 concerning how the organization or person will transition the
6 administration of the school district back to the locally elected
7 governing board. The organization or person shall submit the report
8 within one hundred twenty days ~~from~~ AFTER the date the organization or
9 person was appointed by the state board. If approved by the state board,
10 the alternative operation plan may authorize the appointed organization or
11 person to do any of the following:

12 1. Override any decisions of the school district governing board or
13 the school district superintendent, or both, concerning the management and
14 operation of the school district, and initiate and make decisions
15 concerning the management and operation of the school district, including
16 reopening the school as a charter school.

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

23 3. Attend any meetings of the school district governing board and
24 administrative staff.

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

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

35 E. The state board of education shall periodically review the
36 status of a school district that is operating under an alternative
37 operation plan pursuant to this section to determine whether the
38 operations of the school district should be returned to the school
39 district governing board. Before the state board makes a determination to
40 terminate an alternative operation plan, the state board or its designee
41 shall meet with the school district governing board or its designee to
42 establish an appropriate time frame and address any additional operational
43 considerations that are necessary to ensure a smooth transition of
44 authority from the appointed organization or person back to the school
45 district governing board. When determining whether to terminate an

1 alternative operation plan, the state board shall consider whether the
2 district's schools have made significant academic gains as determined by
3 individual school achievement profiles established pursuant to this
4 section.

5 F. If at any time the state board determines that the progress of
6 an organization or person who is appointed pursuant to this subsection or
7 subsection C of this section is insufficient, the state board may remove
8 that organization or person and make an alternative appointment. All
9 authority granted pursuant to the approved alternative operation plan
10 shall be transferred to the newly appointed organization or person. The
11 state board may require the newly appointed organization or person to
12 prepare a revised alternative operation plan as described in subsection D
13 of this section.

14 G. All expenses and costs of an organization or person appointed by
15 the state board pursuant to subsection C or F of this section shall be
16 paid by the school district. The state board of education shall review
17 the expenses and costs at least twice each calendar year to ensure that
18 the fees are reasonable and appropriate.

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

22 I. The school district shall indemnify the organization or person
23 appointed pursuant to subsection C or F of this section if that
24 organization or person is made or threatened to be made a party to any
25 litigation by reason of the organization's or person's status under this
26 section AND if the organization or person acted in good faith and in a
27 manner the organization or person believed to be lawful and in the best
28 interest of the school district.

29 J. All information received and records or reports kept by the
30 state board of education during an investigation resulting from a
31 complaint against an organization or person appointed pursuant to
32 subsection C or F of this section are confidential and are not public
33 records.

34 K. BEGINNING IN FISCAL YEAR 2027-2028, THE STATE BOARD OF EDUCATION
35 SHALL REQUIRE ANY SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT AND THAT
36 HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241 IN
37 ANY COMBINATION FOR TWO CONSECUTIVE YEARS TO INITIATE EITHER A DISTRICT
38 PARTNERSHIP SCHOOL OR A FRESH START SCHOOL PURSUANT TO SECTION 41-5863.
39 IF THE STATE BOARD OF EDUCATION IN CONSULTATION WITH THE SCHOOL DISTRICT
40 DETERMINES THAT A DISTRICT PARTNERSHIP SCHOOL OR A FRESH START SCHOOL IS
41 NOT PRACTICABLE, THE SCHOOL DISTRICT MAY INSTEAD DO EITHER OF THE
42 FOLLOWING:

43 1. VOTE TO INSTALL A NEW SCHOOL DISTRICT SUPERINTENDENT, SUBJECT TO
44 REVIEW AND APPROVAL BY THE STATE BOARD OF EDUCATION.

45 2. CLOSE OR CONSOLIDATE THE SCHOOL.

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

3 15-241.02. School improvement plans; solutions teams;
4 withholding of state monies

5 A. If a school is assigned a letter grade of D pursuant to section
6 15-241, within ninety days after receiving notice of the classification,
7 the school district governing board shall develop an improvement plan for
8 the school, submit a copy of the plan to the superintendent of public
9 instruction and the county educational service agency and supervise the
10 implementation of the plan. The governing board shall include in the plan
11 necessary components as identified by the state board of education.
12 Within thirty days after submitting the improvement plan to the
13 superintendent of public instruction and the county educational service
14 agency, the governing board shall hold a public meeting in each school
15 that has been assigned a letter grade of D and shall present the
16 respective improvement plans that have been developed for each school.
17 The governing board, within thirty days after receiving notice of the
18 classification, shall provide written notification of the classification
19 to each residence within the attendance area of the school. The notice
20 shall explain the improvement plan process and provide information
21 regarding the public meeting required by this subsection.

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

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

1 sponsoring board and explain why the improvement plan has not been
2 submitted.

3 D. If a school is assigned a letter grade of D pursuant to section
4 15-241 for a third consecutive year, the department of education shall
5 visit the school site to confirm the classification data and to review the
6 implementation of the school's improvement plan. The school shall be
7 assigned a letter grade of F unless an alternate letter grade is assigned
8 after an appeal pursuant to section 15-241, subsection J. A school that
9 is assigned a letter grade of D for fewer than three consecutive years may
10 also be assigned a letter grade of F if the state board of education
11 determines that there is no reasonable likelihood that the school will
12 achieve an average level of performance within the next two years.

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

1 action plan within forty-five days, the state board of education may
2 direct the superintendent of public instruction to withhold up to ten
3 percent of state monies that the school district would otherwise be
4 entitled to receive each month until the plan is submitted to the
5 department of education and the county educational service agency, at
6 which time those monies shall be returned to the school district.

7 F. The parent or guardian of a pupil may apply to the department of
8 education, in a manner determined by the department of education, for a
9 certificate of supplemental instruction from the failing schools tutoring
10 fund established by section 15-241. Pupils attending a school assigned a
11 letter grade of D or F may select an alternative tutoring program in
12 academic standards from a provider that is certified by the state board of
13 education. To qualify, the provider must state in writing a level of
14 academic improvement for the pupil that includes a timeline for
15 improvement that is agreed to by the parent or guardian of the pupil. The
16 state board of education shall annually review academic performance levels
17 for certified providers and may remove a provider at a public hearing from
18 an approved list of providers if that provider fails to meet its stated
19 level of academic improvement. The state board of education shall
20 determine the application guidelines and the maximum value for each
21 certificate of supplemental instruction. The state board of education
22 shall annually complete a market survey in order to determine the maximum
23 value for each certificate of supplemental instruction. This subsection
24 does not require this state to provide additional monies beyond the monies
25 provided pursuant to section 42-5029, subsection E, paragraph 7 or section
26 42-5029.02, subsection A, paragraph 7.

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

43 H. A school that has not submitted an improvement plan pursuant to
44 subsection G of this section is not eligible to receive monies from the
45 classroom site fund established by section 15-977 for every day that a

1 plan has not been received by the superintendent of public instruction
2 within the time specified in subsection G of this section plus an
3 additional ninety days. The state board of education shall require the
4 superintendent of the school district to testify before the board and
5 explain the reasons that an improvement plan for that school has not been
6 submitted.

7 I. If a charter school is assigned a letter grade of F pursuant to
8 section 15-241, the department of education shall immediately notify the
9 charter school's sponsor. The charter school's sponsor shall either take
10 action to restore the charter school to ~~acceptable performance~~ A LETTER
11 GRADE OF C OR BETTER PURSUANT TO SECTION 15-241 WITHIN ONE YEAR or revoke
12 the charter school's charter. THIS SUBSECTION DOES NOT PREVENT THE
13 CHARTER SCHOOL'S SPONSOR FROM MAKING A DETERMINATION TO REVOKE THE CHARTER
14 SCHOOL'S CHARTER AFTER BEING NOTIFIED THAT THE CHARTER SCHOOL HAS BEEN
15 ASSIGNED A LETTER GRADE OF F PURSUANT TO SECTION 15-241. Within thirty
16 days, the charter school shall notify the parents of the students
17 attending the school of the classification and of any pending public
18 meetings to review the issue.

19 J. The department of education shall evaluate a school that has
20 been assigned a letter grade of F pursuant to section 15-241 to determine
21 whether the school, charter holder or school district failed to properly
22 implement its school improvement plan, align the curricula with academic
23 standards, provide teacher training, prioritize the budget or implement
24 other proven strategies to improve academic performance. After visiting
25 the school site pursuant to subsection D of this section, the department
26 of education shall submit to the state board of education a recommendation
27 either to proceed pursuant to subsections E, F and G of this section or
28 that the school be subject to a public hearing to determine whether the
29 school failed to properly implement its improvement plan and the reasons
30 for the department's recommendation. If the school is a charter school,
31 the department shall submit a report to the sponsor of the charter school.
32 The sponsor shall make a determination pursuant to subsection N of this
33 section.

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

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

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

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

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

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

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

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

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

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

39 Within the last five years, (number of schools) schools
40 in the _____ school district have been assigned a letter
41 grade of D or F.

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

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

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

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

17 T. The department of education shall publish criteria for a
18 school's or school district's exit status from a previous assignment of a
19 letter grade of F in accordance with this section. The criteria shall
20 prescribe the actions and results necessary to be deemed to have complied
21 with this section regarding school improvement, including the proper
22 implementation of a school improvement plan pursuant to subsection J of
23 this section. These criteria shall be provided to a school or school
24 district if it is assigned a letter grade of F pursuant to section 15-241.

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

27 41-5702. Powers and duties; staffing; reporting requirements

28 A. The division shall:

29 1. Assess school facilities and equipment deficiencies and approve
30 the distribution of grants as appropriate.

31 2. Maintain a database of school facilities to allow for the
32 administration of the new school facilities formula and the building
33 renewal grant fund. The facilities listed in the database must include
34 all buildings that are owned by school districts. The division shall
35 ensure that the database is updated on at least an annual basis. Each
36 school district shall report to the division not later than September 1 of
37 each year information as required by the division to administer the
38 building renewal grant fund and by the school facilities oversight board
39 to compute new school facilities formula distributions, including the
40 nature and cost of major repairs, renovations or physical improvements to
41 or replacement of building systems or equipment that were made in the
42 previous year and that were paid for either with local monies or monies
43 provided from the building renewal grant fund. Each school district shall
44 report any school or school buildings that have been closed, that are
45 vacant or partially used pursuant to section 15-119 and that have been

1 leased to another entity or that operate as a charter school. The
2 division shall develop guidelines and definitions for the reporting
3 prescribed in this paragraph and ~~may~~ SHALL review or audit the
4 information, or both, to confirm the information submitted by a school
5 district. Notwithstanding any other provision of this chapter, if a
6 school district converts space that is listed in the database maintained
7 pursuant to this paragraph to space that will be used for administrative
8 purposes, the school district is responsible for any costs associated with
9 converting, maintaining and replacing that space. If a building is
10 significantly upgraded or remodeled, the division shall adjust the age of
11 that school facility in the database as follows:

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

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

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

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

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

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

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

35 4. Develop prototypical elementary and high school designs. The
36 division shall review the design differences between the schools with the
37 highest academic productivity scores and the schools with the lowest
38 academic productivity scores. The division shall also review the results
39 of a valid and reliable survey of parent quality rating in the highest
40 performing schools and the lowest performing schools in this state. The
41 survey of parent quality rating shall be administered by the department of
42 education. The division shall consider the design elements of the schools
43 with the highest academic productivity scores and parent quality ratings
44 in the development of elementary and high school designs. The division

1 shall develop separate school designs for elementary, middle and high
2 schools with varying pupil capacities.

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

6 (a) Ensure that the division and the school facilities oversight
7 board, as applicable, notify school districts in a uniform manner of the
8 services and funding available for school districts from the board or the
9 division for facility construction, renovation and repair projects. The
10 policies and procedures shall require the division and the board to
11 provide at least one annual communication to school districts in a manner
12 prescribed by the division and shall require each school district to
13 develop and maintain a list of persons who are responsible for facilities
14 management at that school district.

15 (b) Establish a project eligibility assessment for all projects
16 submitted for building renewal grant funding or emergency deficiencies
17 correction funding, including establishing standardized criteria for
18 project eligibility. Before the division formally approves a project, the
19 staff of the division may review the costs and scope of the proposed
20 project with persons and entities that have submitted bids on the project.

21 (c) Ensure that the division and the school facilities oversight
22 board maintain standardized documentation of all projects submitted to the
23 board and the division for consideration to receive services or a
24 financial award from the board or the division. The board and the
25 division shall maintain standardized documentation of any project awarded
26 monies by the board or the division, including records of payments to
27 school districts in a manner prescribed by the division. The standardized
28 documentation shall include the following as part of the eligibility
29 determination criteria:

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

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

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

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

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

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

44 (iii) Any completed professional study regarding the proposed
45 project.

- 1 (iv) Any citation or report from government entities.
- 2 (v) The estimated cost of the proposed project, with documentation.
- 3 (vi) The project category.
- 4 (vii) A description of any local funding that will be used for the
5 proposed project.
- 6 (viii) Documentation on associated insurance coverage, if
7 applicable.
- 8 (f) Require that an initial application not be considered complete
9 until all necessary information is submitted.
- 10 (g) Allow a school district to submit an incomplete application and
11 request technical assistance from the staff of the board if the school
12 district is unable to provide sufficient information in the initial
13 application.
- 14 (h) If applicable, require that a complete application be received
15 by the board at least fifteen business days before the next regularly
16 scheduled board meeting in order for the application to be considered at
17 that meeting. An incomplete application may be considered at that meeting
18 if both the staff of the board and the superintendent of the school
19 district deem the project critical.
- 20 (i) Allow the staff of the board or the division, as applicable, to
21 notify a school district in writing before review by the board or division
22 that the proposed project does not meet eligibility criteria prescribed in
23 this chapter. The written notification shall include documentation to
24 support the determination that the proposed project does not meet the
25 eligibility criteria prescribed in this chapter. The school district may
26 directly appeal the determination of ineligibility to the director of the
27 division. The school district may directly appeal the director's
28 determination of ineligibility to the board.
- 29 (j) Prohibit the staff of the board or division from requesting
30 that a school district withdraw a project application from review by the
31 board or division if the initial review determines that the proposed
32 project may be ineligible for monies pursuant to this chapter.
- 33 6. Submit electronically an annual report on or before December 15
34 to the speaker of the house of representatives, the president of the
35 senate, the superintendent of public instruction, the secretary of state
36 and the governor that includes the following information:
 - 37 (a) A detailed description of the amount of monies distributed by
38 the division under this chapter in the previous fiscal year.
 - 39 (b) A list of each capital project that received monies from the
40 division under this chapter during the previous fiscal year, a brief
41 description of each project that was funded and a summary of the
42 division's reasons for distributing monies for the project.
 - 43 (c) A summary of the findings and conclusions of the building
44 maintenance inspections conducted pursuant to this article during the
45 previous fiscal year.

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

7. On or before December 1 of each year, report electronically to the joint committee on capital review the amounts necessary to fulfill the requirements of section 41-5721 for the following three fiscal years. In developing the amounts necessary for this report, the division shall use the most recent average daily membership data available. On request from the division, the department of education shall make available the most recent average daily membership data for use in calculating the amounts necessary to fulfill the requirements of section 41-5721 for the following three fiscal years. The division shall provide copies of the report to the president of the senate, the speaker of the house of representatives and the governor.

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

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

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

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

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

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

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

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

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

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

- 4 1. Private services.
- 5 2. Construction project management services.
- 6 3. Assessments for school buildings to determine if the buildings
7 have outlived their useful life pursuant to section 41-5741, subsection G
8 or have been condemned.
- 9 4. Services related to land acquisition and development of a school
10 site.

11 C. The school facilities oversight board shall:

12 1. Review and approve student population projections submitted by
13 school districts to determine to what extent school districts are entitled
14 to monies to construct new facilities pursuant to section 41-5741. The
15 board shall make a final determination within five months after receiving
16 an application from a school district for monies from the new school
17 facilities fund.

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

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

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

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

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

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

35 5. On or before December 1 of each year, electronically report to
36 the joint committee on capital review the amounts necessary to fulfill the
37 requirements of section 41-5741 for the following three fiscal years. In
38 developing the amounts necessary for this report, the board shall use the
39 most recent average daily membership data available. On request from the
40 board, the department of education shall make available the most recent
41 average daily membership data for use in calculating the amounts necessary
42 to fulfill the requirements of section 41-5741 for the following three
43 fiscal years. The board shall provide copies of the report to the
44 president of the senate, the speaker of the house of representatives and
45 the governor.

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

7. On or before June 15 of each year, electronically submit to the joint committee on capital review for its review detailed information regarding demographic assumptions, a proposed construction schedule and new school construction cost estimates for individual projects approved in the current fiscal year and expected project approvals for the upcoming fiscal year. A copy of the report shall also be submitted electronically to the governor's office of strategic planning and budgeting. The joint legislative budget committee staff, the governor's office of strategic planning and budgeting staff and the board staff shall agree on the format of the report.

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

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

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

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

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

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

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

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

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

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

1 9. Shall establish procedures to ensure compliance with the notice
2 and hearing requirements prescribed in section 15-905. The notice and
3 hearing procedures adopted by the board shall include the requirement,
4 with respect to the board's consideration of any application filed after
5 July 1, 2001 or after December 31 of the year in which the property
6 becomes territory in the vicinity of a military airport or ancillary
7 military facility as defined in section 28-8461 for monies to fund the
8 construction of new school facilities proposed to be located in territory
9 in the vicinity of a military airport or ancillary military facility, that
10 the military airport receive notification of the application by first
11 class mail at least thirty days before any hearing concerning the
12 application.

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

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

19 12. Shall determine administrative completeness within one month
20 after receiving an application from a school district for monies from the
21 new school facilities fund.

22 13. Shall provide technical support to school districts as
23 requested by school districts in connection with constructing new school
24 facilities and maintaining existing school facilities and may contract
25 directly with construction project managers pursuant to subsection B of
26 this section. This paragraph does not restrict a school district from
27 contracting with a construction project manager using district or state
28 resources.

29 E. When appropriate, the board and the division shall review and
30 use the statewide school facilities inventory and needs assessment
31 conducted by the joint committee on capital review and issued in
32 July, 1995.

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

40 G. The division or the board, as applicable, may consider
41 appropriate combinations of facilities or uses in assessing and curing
42 deficiencies pursuant to subsection A, paragraph 1 of this section and in
43 certifying plans for new school facilities pursuant to subsection C,
44 paragraph 2 of this section.

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

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

J. The division may contract for construction services and materials that are necessary to correct existing deficiencies in school district facilities. The division may procure the construction services necessary pursuant to this subsection by any method, including construction-manager-at-risk, design-build, design-bid-build or job-order-contracting as provided by chapter 23 of this title. The construction planning and services performed pursuant to this subsection are exempt from section 41-791.01.

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

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

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

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

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

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

N. After notifying each school district, and if a written objection from the school district is not received by the board or the division within thirty days after the notification, the board or the division may

1 access public utility company records of power, water, natural gas,
 2 telephone and broadband usage to assemble consistent and accurate data on
 3 utility consumption at school facilities to determine the effectiveness of
 4 facility design, operation and maintenance measures intended to reduce
 5 energy and water consumption and costs. Any public utility that provides
 6 service to a school district in this state shall provide the data
 7 requested by the board or the division pursuant to this subsection.

8 O. The division or the board shall not require a common school
 9 district that provides instruction to pupils in grade nine to obtain
 10 approval from the division or the board to reconfigure its school
 11 facilities. A common school district that provides instruction to pupils
 12 in grade nine is not entitled to additional monies from the division or
 13 the board for facilities to educate pupils in grade nine.

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

19 Sec. 6. Heading change

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

23 Sec. 7. Repeal

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

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

27 41-5841. Arizona achievement district; board

28 A. THE ARIZONA ACHIEVEMENT DISTRICT IS ESTABLISHED WITHIN THE
 29 DEPARTMENT OF ADMINISTRATION TO SUPPORT THE EXPANSION OF HIGH QUALITY
 30 PUBLIC SCHOOLS FOR STUDENTS IN THIS STATE. THE ARIZONA ACHIEVEMENT
 31 DISTRICT CONSISTS OF THE ARIZONA PUBLIC SCHOOL CREDIT ENHANCEMENT PROGRAM
 32 PURSUANT TO ARTICLE 11 OF THIS CHAPTER AND THE EXPANDING ACCESS TO
 33 EXCELLENT SCHOOLS PROGRAM PURSUANT TO ARTICLE 12 OF THIS CHAPTER.

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

- 37 1. TWO MEMBERS OF THE STATE BOARD OF EDUCATION.
- 38 2. TWO MEMBERS OF THE STATE BOARD FOR CHARTER SCHOOLS.
- 39 3. TWO MEMBERS OF THE BUSINESS COMMUNITY.
- 40 4. THREE PUBLIC MEMBERS.

41 C. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL ESTABLISH AN
 42 APPLICATION PROCESS, APPLICATION FORMS AND SELECTION CRITERIA FOR A
 43 CHARTER SCHOOL OR A SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT IN THIS
 44 STATE TO QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL FOR THE PURPOSES OF
 45 ARTICLES 11 AND 12 OF THIS CHAPTER. A CHARTER SCHOOL OR A SCHOOL THAT IS

1 OPERATED BY A SCHOOL DISTRICT THAT MEETS ALL OF THE FOLLOWING CRITERIA IS
2 ELIGIBLE TO QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL:

3 1. HAS BEEN ASSIGNED A LETTER GRADE OF A, OR AN EQUIVALENT
4 SUCCESSOR CLASSIFICATION, PURSUANT TO SECTION 15-241 FOR AT LEAST TWO
5 CONSECUTIVE YEARS. AN ACHIEVEMENT DISTRICT SCHOOL THAT IS ASSIGNED A
6 LETTER GRADE OF B, C, D OR F, OR AN EQUIVALENT SUCCESSOR CLASSIFICATION,
7 PURSUANT TO SECTION 15-241 IN ANY COMBINATION FOR TWO CONSECUTIVE YEARS
8 MAY NOT REMAIN A MEMBER OF THE ARIZONA ACHIEVEMENT DISTRICT.

9 2. HAS PROVEN INSTRUCTIONAL STRATEGIES AND CURRICULA THAT
10 DEMONSTRATE HIGH ACADEMIC OUTCOMES.

11 3. HAS A VERIFIABLE ENROLLMENT DEMAND.

12 4. HAS A SOUND FINANCIAL PLAN THAT CONTEMPLATES OPERATIONAL COSTS
13 AND FUTURE ENROLLMENT GROWTH.

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

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

19 D. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL ESTABLISH AN
20 APPLICATION PROCESS, APPLICATION FORMS AND SELECTION CRITERIA FOR
21 OUT-OF-STATE CHARTER SCHOOL OPERATORS WHO SEEK TO EXPAND IN THIS STATE TO
22 QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL FOR THE PURPOSES OF ARTICLES 11
23 AND 12 OF THIS CHAPTER. AN OUT-OF-STATE CHARTER SCHOOL OPERATOR THAT
24 MEETS ALL OF THE FOLLOWING CRITERIA IS ELIGIBLE TO QUALIFY AS AN
25 ACHIEVEMENT DISTRICT SCHOOL:

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

28 2. HAS A VERIFIABLE ENROLLMENT DEMAND.

29 3. HAS A SOUND FINANCIAL PLAN THAT CONTEMPLATES OPERATIONAL COSTS
30 AND FUTURE ENROLLMENT GROWTH.

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

34 5. MEETS ANY OTHER CRITERIA ESTABLISHED BY THE ARIZONA ACHIEVEMENT
35 DISTRICT BOARD.

36 E. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL MEET REGULARLY TO
37 EVALUATE ACHIEVEMENT DISTRICT SCHOOL APPLICATIONS AND SHALL EITHER APPROVE
38 OR DENY EACH APPLICATION SUBMITTED. THE BOARD SHALL REPORT ITS DECISION
39 ON EACH APPLICATION TO THE SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT OR
40 CHARTER SCHOOL WITHIN TEN BUSINESS DAYS AFTER THE BOARD'S DECISION.

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

1 G. THE ARIZONA ACHIEVEMENT DISTRICT BOARD MAY REQUEST DATA FROM THE
2 SCHOOL FACILITIES OVERSIGHT BOARD REGARDING VACANT BUILDINGS AND PARTIALLY
3 USED BUILDINGS PURSUANT TO SECTION 15-119. THE DIVISION OF SCHOOL
4 FACILITIES WITHIN THE DEPARTMENT OF ADMINISTRATION SHALL CERTIFY AND AUDIT
5 THE DATA PROVIDED FOR THE PURPOSES OF SECTION 15-119 BY SCHOOL DISTRICTS
6 REGARDING SCHOOLS THAT ARE ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO
7 SECTION 15-241. THE DIVISION OF SCHOOL FACILITIES SHALL PROVIDE ANY DATA
8 OR ASSISTANCE REGARDING POTENTIALLY AVAILABLE SPACE AT THE REQUEST OF THE
9 ARIZONA ACHIEVEMENT DISTRICT BOARD.

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

12 ARTICLE 12. EXPANDING ACCESS TO EXCELLENT SCHOOLS PROGRAM

13 41-5861. Definitions

14 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

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

21 2. "BOARD" MEANS THE ARIZONA ACHIEVEMENT DISTRICT BOARD ESTABLISHED
22 BY SECTION 41-5841.

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

25 (a) HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION
26 15-241.

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

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

31 (d) PROVIDES THE OPERATOR DESCRIBED IN SUBDIVISION (c) OF THIS
32 PARAGRAPH WITH CONTROL OVER THE STAFFING, LEADERSHIP, DAY-TO-DAY
33 OPERATIONS, INSTRUCTIONAL PROGRAMMING AND SCHEDULE OF THE SCHOOL AND
34 BUDGETING OF THOSE OPERATIONS.

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

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

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

41 (c) REPLACES A SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR
42 F PURSUANT TO SECTION 15-241 AT THE SAME CAMPUS, EXCEPT THAT IF THE
43 ARIZONA ACHIEVEMENT DISTRICT BOARD DETERMINES THAT IT IS NOT PRACTICABLE
44 TO OPERATE THE FRESH START SCHOOL AT THE SAME CAMPUS, THE ARIZONA
45 ACHIEVEMENT DISTRICT BOARD MAY AUTHORIZE THE FRESH START SCHOOL TO OPERATE

AT A DIFFERENT LOCATION WITHIN THE SAME ATTENDANCE BOUNDARIES OF THE SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241.

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

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

41-5862. Arizona expanding excellence fund

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

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

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

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

1. AN ACHIEVEMENT DISTRICT SCHOOL.

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

C. AN ACHIEVEMENT DISTRICT SCHOOL OR A SCHOOL DISTRICT THAT IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL MAY APPLY TO THE ARIZONA ACHIEVEMENT DISTRICT BOARD FOR NOT MORE THAN \$2,000 PER STUDENT TO SEED THE OPERATIONS OF A DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL. AFTER APPROVAL BY THE BOARD, THE DEPARTMENT OF ADMINISTRATION SHALL DISTRIBUTE THESE MONIES TO THE ACHIEVEMENT DISTRICT SCHOOL OR THE SCHOOL DISTRICT THAT IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL FROM THE ARIZONA EXPANDING EXCELLENCE FUND. AN ACHIEVEMENT DISTRICT SCHOOL OR A SCHOOL DISTRICT THAT IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL MAY NOT RECEIVE ALLOCATIONS PURSUANT TO THIS SECTION MORE THAN ONCE FOR ANY ONE DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL. FOR DISTRICT

1 PARTNERSHIP SCHOOLS, ALLOCATIONS PURSUANT TO THIS SUBSECTION ARE
2 CALCULATED BASED ON THE CURRENT NUMBER OF ENROLLED STUDENTS. FOR FRESH
3 START SCHOOLS, ALLOCATIONS PURSUANT TO THIS SUBSECTION ARE CALCULATED
4 BASED ON THE NUMBER OF STUDENTS CURRENTLY ENROLLED AT THE SCHOOL THAT THE
5 FRESH START SCHOOL IS REPLACING OR, IF MULTIPLE SCHOOLS ARE BEING
6 CONSOLIDATED, ON THE ESTIMATED NUMBER OF STUDENTS SERVED. FUNDING SHALL
7 BE ALLOCATED TO A PARTY ONLY ONCE THE BOARD HAS APPROVED AN AGREEMENT FOR
8 A DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL.

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

13 1. APPROACH THE ARIZONA ACHIEVEMENT DISTRICT BOARD WITH AN ALREADY
14 SELECTED ACHIEVEMENT DISTRICT SCHOOL THAT HAS DEMONSTRATED SUCCESSFUL
15 STUDENT ACHIEVEMENT OUTCOMES WITH SERVING STUDENTS WITH SIMILAR
16 DEMOGRAPHICS.

17 2. REQUEST THE ARIZONA ACHIEVEMENT DISTRICT BOARD TO SELECT AN
18 ACHIEVEMENT DISTRICT SCHOOL THAT HAS DEMONSTRATED SUCCESSFUL STUDENT
19 ACHIEVEMENT OUTCOMES WITH SERVING STUDENTS WITH SIMILAR DEMOGRAPHICS TO
20 PARTNER WITH THE SCHOOL DISTRICT.

21 E. ANY CONTRACTUAL AGREEMENT TO ESTABLISH A DISTRICT PARTNERSHIP
22 SCHOOL:

23 1. SHALL INCLUDE THE FOLLOWING PROVISIONS:

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

28 (b) THAT FUNDING ALLOCATED TO THE ACHIEVEMENT DISTRICT SCHOOL SHALL
29 BE AGREED ON AND APPROVED BY THE ARIZONA ACHIEVEMENT DISTRICT BOARD. ALL
30 FUNDING ALLOCATED TO THE ACHIEVEMENT DISTRICT SCHOOL IS CONTROLLED BY THE
31 ACHIEVEMENT DISTRICT SCHOOL OPERATOR.

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

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

44 (e) THAT THE TERM OF THE OPERATIONAL AGREEMENT SHALL BE FOR AT
45 LEAST FIFTEEN YEARS AND THAT THE OPERATIONAL AGREEMENT MAY NOT BE CHANGED

1 OR REVOKED BY THE SCHOOL DISTRICT, EXCEPT THAT THE ARIZONA ACHIEVEMENT
2 DISTRICT BOARD MAY MAKE CHANGES TO OR REVOKE AN EXISTING AGREEMENT
3 PURSUANT TO THREE-YEAR PERFORMANCE REVIEWS. THE BOARD SHALL MAKE CHANGES
4 TO OR REVOKE AN EXISTING AGREEMENT IF THE DISTRICT PARTNERSHIP SCHOOL DOES
5 NOT ACHIEVE A LETTER GRADE OF A OR B PURSUANT TO SECTION 15-241 WITHIN
6 THREE YEARS OR RECEIVES A LETTER GRADE OF C, D OR F PURSUANT TO SECTION
7 15-241 IN ANY COMBINATION FOR TWO CONSECUTIVE YEARS.

8 (f) THAT THE DISTRICT PARTNERSHIP SCHOOL MAY NOT BE OPERATED BY THE
9 SAME SCHOOL DISTRICT WITHIN WHICH THE SCHOOL THAT HAS BEEN ASSIGNED A
10 LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241 IS LOCATED.

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

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

41 G. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ARIZONA ACHIEVEMENT
42 DISTRICT BOARD SHALL SUBMIT A REPORT TO THE PRESIDENT OF THE SENATE, THE
43 SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE GOVERNOR AND SHALL
44 TRANSMIT A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE REPORT
45 SHALL INCLUDE ALL OF THE FOLLOWING:

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

3 2. THE NUMBER OF DISTRICT PARTNERSHIP SCHOOLS APPROVED BY THE BOARD
4 AND THE NUMBER OF STUDENTS IMPACTED.

5 3. ANY ACADEMIC PERFORMANCE INDICATORS OF CURRENTLY OPERATING FRESH
6 START SCHOOLS OR DISTRICT PARTNERSHIP SCHOOLS.

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

9 5. ANY OTHER RELEVANT INFORMATION ABOUT THE PERFORMANCE OF THE
10 PROGRAM.

11 Sec. 10. Operation excellence school improvement program;
12 school achievement improvement fund;
13 distributions; improvement plans; request for
14 proposals; independent school improvement
15 partners; delayed repeal

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

23 B. The school achievement improvement fund is established for the
24 purposes of this section. The fund consists of legislative
25 appropriations, gifts, grants, donations and any other monies transferred
26 to the fund. The department of education shall administer the fund at the
27 direction of the state board of education. Monies in the fund are
28 continuously appropriated and are exempt from the provisions of section
29 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
30 except that any monies remaining in the fund on December 31, 2026 revert
31 to the state general fund. The department of education may accept and
32 spend federal monies and private grants, gifts, contributions and devises
33 to assist in carrying out this section.

34 C. Beginning in fiscal year 2022-2023, the state board of education
35 shall identify schools that will be designated as operation excellence
36 schools. The state board shall identify a school that meets either of the
37 following criteria:

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

42 2. Any school operated by a school district or charter holder that
43 is not eligible to receive or has not received a letter grade pursuant to
44 section 15-241, Arizona Revised Statutes, and that has been identified by
45 the department of education as a school requiring comprehensive support

1 and improvement for low achievement pursuant to the every student succeeds
2 act (P.L. 114-95; 129 Stat. 1802) in the prior or most recent fiscal year.

3 D. A school operated by a school district or charter holder may opt
4 to participate in the operation excellence school improvement program by
5 notifying the state board of education. A school may opt into operation
6 excellence only if both of the following apply:

7 1. The school is operated by a school district or charter holder
8 that received a letter grade of C during the 2018-2019 fiscal year or the
9 2021-2022 fiscal year pursuant to section 15-241, Arizona Revised
10 Statutes.

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

22 E. On or before September 30, 2022 or within forty-five days after
23 the effective date of this section, whichever is earlier, a school that is
24 operated by a school district or a charter school that is identified
25 pursuant to subsection C of this section shall notify the state board of
26 education of its determination pursuant to this subsection. A school that
27 is opting to participate pursuant to subsection D of this section shall
28 notify the state board of education on or before September 30, 2022 or
29 within forty-five days after the effective date of this section, whichever
30 is earlier. A school that is designated as an operation excellence school
31 pursuant to subsection C of this section may select one of the following
32 options:

33 1. Engage in targeted school improvement pursuant to this section.

34 2. Select to participate in either a district partnership school or
35 a fresh start school pursuant to section 41-5863, Arizona Revised
36 Statutes, as added by this act.

37 3. Close or consolidate the failing school.

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

43 G. For fiscal years 2022-2023, 2023-2024 and 2024-2025, at the
44 direction of the state board of education, the department of education
45 shall distribute monies from the school achievement improvement fund to

1 school districts and charter schools that have selected to engage in
2 school improvement pursuant to subsection D or subsection E, paragraph 1
3 of this section in the amount of \$150 per student who is enrolled in the
4 current school year. A school that is eligible to receive funding for the
5 small school weight prescribed in section 15-943, paragraph 1, Arizona
6 Revised Statutes, may not receive less than \$30,000 in total funding
7 pursuant to this subsection. Schools that have selected to participate in
8 a district partnership school or fresh start school pursuant to subsection
9 E, paragraph 2 of this section are not eligible to receive funding from
10 the school achievement improvement fund.

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

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

17 J. The department of education shall disburse funding only for that
18 fiscal year on the state board of education's approval of the school's
19 improvement plan submitted pursuant to subsection K, L or M of this
20 section. The state board of education shall direct the department of
21 education to provide payments to schools for the operation excellence
22 school improvement program that are in compliance with this section on
23 July 1 of each year, except that in fiscal year 2022-2023 the department
24 of education shall disburse a payment equal to one-fourth of that year's
25 annual funding amount under this section to the school district or charter
26 school on the state board of education's receipt of the notice of the
27 school's selection pursuant to subsection D or subsection E, paragraph 1
28 of this section. If the appropriated amount is not sufficient to fully
29 pay each school, the department of education shall proportionately
30 allocate the funding per student.

31 K. Not later than December 1, 2022, a school district or charter
32 holder of a school that meets the requirements prescribed in subsection D
33 of this section shall submit to the state board of education an
34 improvement plan to improve student outcomes, which may include targeted
35 academic interventions, professional development, adaptive technology or
36 other evidence-based, proven strategies to close the achievement gap. The
37 plan must also identify a mentor who can assist with academic achievement.
38 The mentor must be a current or former school leader with a demonstrable
39 record of leading a successful school improvement effort and must commit
40 to providing regular check-ins and advice to the participating school
41 leader whom the person is mentoring.

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

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

3 (a) The superintendent of the school district.

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

5 (c) A teacher from the identified school.

6 (d) Three parents of children who attend the identified school.

7 2. Not later than December 1, 2022, the operation excellence
8 committee shall submit an improvement plan to the state board of education
9 to improve student outcomes, which may include targeted academic
10 interventions, professional development, adaptive technology or other
11 evidence-based, proven strategies to close the achievement gap. The
12 committee shall inform the state board of education which approved school
13 improvement partner or partners from the partner network list identified
14 by the state board pursuant to subsection N of this section shall
15 implement the improvement plan developed under this paragraph.

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

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

21 (a) The chief administrative officer of the identified charter
22 school.

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

24 (c) A teacher from the identified charter school.

25 (d) Three parents of children who attend the identified charter
26 school.

27 2. Not later than December 1, 2022, the committee shall submit an
28 improvement plan to the state board of education to improve student
29 outcomes, which may include targeted academic interventions, professional
30 development, adaptive technology or other evidence-based, proven
31 strategies to close the achievement gap. The committee shall partner with
32 approved independent school improvement partners from the partner network
33 list identified by the state board of education pursuant to subsection N
34 of this section to implement the improvement plan developed under this
35 paragraph.

36 N. On or before October 31, 2022, the state board of education
37 shall identify approved independent school improvement partners to be
38 included on a partner network list through a request for proposals
39 process. A school district or the charter holder of a school that meets
40 the requirements prescribed in subsection E, paragraph 1 of this section
41 shall select from the partner network list to implement, in partnership
42 with the school's operation excellence committee, the improvement plan
43 submitted under subsection L or M of this section. A state agency, or any
44 subsidiary of the state agency, that meets the criteria prescribed in

1 subsection O of this section is eligible for inclusion on the partner
2 network list.

3 0. For the purposes of subsection N of this section, the state
4 board of education shall award contracts to independent school improvement
5 partners that meet all of the following requirements:

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

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

11 3. Have experience coaching public school administrators and
12 teachers on designing and implementing data-driven school improvement
13 plans.

14 4. Have experience delivering high quality professional development
15 and coaching in instructional effectiveness to public school
16 administrators and teachers.

17 P. In addition to assisting in implementing the improvement plan
18 prescribed in subsection L or M of this section, the state board of
19 education shall assist the operation excellence school in all of the
20 following:

21 1. Collecting and analyzing data on student achievement.

22 2. Recommending changes to the school to improve student
23 achievement.

24 3. Monitoring the implementation of the improvement plan.

25 4. Providing implementation support for the improvement plan.

26 Q. If a participating school is not demonstrating student academic
27 growth or is otherwise dissatisfied with the services provided by a
28 contracted independent school improvement partner, the school may submit a
29 request to the state board of education to cancel that contract and select
30 a different independent school improvement partner at the approval by the
31 state board of education.

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

34 S. If a school district has an existing improvement plan on file
35 with the department of education under any provision of title 15, Arizona
36 Revised Statutes, or pursuant to the every student succeeds act (P.L.
37 114-95; 129 Stat. 1802), the plan submitted under this section must
38 attempt to align with or expand on the existing improvement plan.

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

42 U. On or before June 1 of each year, each school that received
43 monies pursuant to this section in the prior fiscal year shall submit a
44 report to the state board of education that describes how the improvement
45 plan developed pursuant to this section has improved student academic

1 achievement. The state board of education may request additional
2 information or data to be included in these reports. The state board of
3 education may require additional reports as needed throughout the year to
4 assess a school's progress. The state board of education shall review
5 each improvement plan annually and require any modifications. If an
6 improvement plan or report is not submitted, the state board of education
7 shall withhold monies under this section until the plan or report is
8 submitted according to this section.

9 V. On or before October 1, 2023, October 1, 2024 and October 1,
10 2025, the state board of education shall compile each report submitted
11 pursuant to subsection U of this section and provide that information to
12 the joint legislative budget committee, the governor's office of strategic
13 planning and budgeting and the chairpersons of the education committees of
14 the house of representatives and the senate, or their successor
15 committees.

16 W. On or before December 1, 2026, the state board of education
17 shall submit a final report on the operation excellence school improvement
18 program to the governor, the president of the senate, the speaker of the
19 house of representatives, the joint legislative budget committee and the
20 governor's office of strategic planning and budgeting and shall provide a
21 copy of the report to the secretary of state. The report shall include
22 information on all of the following:

23 1. The schools and independent school improvement partners that
24 participated in the program.

25 2. The academic progress of students in schools participating in
26 the program.

27 3. Any other information necessary to evaluate the effectiveness of
28 the program.

29 X. Any school that is operated by a school district, that
30 participated in the program under this section and that does not achieve a
31 letter grade of at least a C pursuant to section 15-241, Arizona Revised
32 Statutes, in fiscal year 2025-2026 shall take action to either:

33 1. Initiate either a district partnership school or a fresh start
34 school pursuant to section 41-5863, Arizona Revised Statutes, as added by
35 this act.

36 2. Close or consolidate the school.

37 Y. This section is repealed from and after December 31, 2026.

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

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

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

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

4 Sec. 12. Appropriations; school achievement improvement fund;
5 state board of education

6 A. The sum of \$58,000,000 is appropriated from the state general
7 fund in each of fiscal years 2022-2023, 2023-2024 and 2024-2025 to the
8 school achievement improvement fund established by section 12 of this act.

9 B. Of the amounts appropriated under subsection A of this section,
10 the state board of education may use up to \$1,000,000 in each of fiscal
11 years 2022-2023, 2023-2024 and 2024-2025 to administer the operation
12 excellence school improvement program established by section 12 of this
13 act. Notwithstanding any other law, seven full-time equivalent positions
14 are appropriated from the state general fund in each of fiscal years
15 2022-2023, 2023-2024 and 2024-2025 to the state board of education for the
16 purposes prescribed in this subsection.

17 Sec. 13. Retroactivity

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