

Senate Engrossed House Bill

~~dropout recovery programs; special audit~~
(now: improvements; schools; operation)

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

HOUSE BILL 2233

AN ACT

AMENDING SECTIONS 15-183, 15-241, 15-241.01, 15-241.02 AND 41-5702,
ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (d) Complete the obligations of the contract.

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

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

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

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

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

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

12 (d) Complete the obligations of the contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 3. The financial expectations of the charter school.

34 4. Intervention and improvement policies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 JJ. NOTWITHSTANDING ANY OTHER LAW, A CHARTER SCHOOL THAT HAS BEEN
23 APPROVED AS AN ACHIEVEMENT DISTRICT SCHOOL UNDER SECTION 41-5841 MAY
24 EXPAND TO SERVE MORE STUDENTS THROUGH EITHER OF THE FOLLOWING:

25 1. AN ENROLLMENT CAP INCREASE. THE CHARTER SCHOOL SHALL APPLY TO
26 THE CHARTER SPONSOR FOR APPROVAL OF AN ENROLLMENT CAP INCREASE PURSUANT TO
27 THIS SUBSECTION THROUGH AN EXPEDITED PROCESS THAT IS ESTABLISHED BY THE
28 CHARTER SPONSOR.

29 2. THE ESTABLISHMENT OF A NEW SCHOOL. THE CHARTER SCHOOL SHALL
30 APPLY TO THE CHARTER SPONSOR FOR APPROVAL OF A NEW SCHOOL PURSUANT TO THIS
31 SUBSECTION THROUGH AN EXPEDITED PROCESS THAT IS ESTABLISHED BY THE CHARTER
32 SPONSOR.

33 KK. THE EXPEDITED PROCESS PRESCRIBED IN SUBSECTION JJ OF THIS
34 SECTION ESTABLISHED BY THE STATE BOARD FOR CHARTER SCHOOLS SHALL:

35 1. REQUIRE THAT AN APPLICATION FOR AN ENROLLMENT CAP INCREASE OR
36 ESTABLISHMENT OF A NEW SCHOOL PURSUANT TO SUBSECTION JJ OF THIS SECTION BE
37 REVIEWED AND ACTED ON WITHIN THIRTY DAYS AFTER SUBMISSION.

38 2. REQUIRE THE APPROVAL OF THE EXECUTIVE DIRECTOR OF THE STATE
39 BOARD FOR CHARTER SCHOOLS ONLY, EXCEPT THAT IF THE EXECUTIVE DIRECTOR
40 DENIES THE APPLICATION, THE APPLICATION SHALL BE TRANSMITTED TO THE STATE
41 BOARD FOR CHARTER SCHOOLS FOR A FINAL DETERMINATION.

42 3. REDUCE UNNECESSARY AND DUPLICATIVE PAPERWORK REQUIREMENTS. A
43 CHARTER SCHOOL APPLYING UNDER SUBSECTION JJ OF THIS SECTION TO THE STATE
44 BOARD FOR CHARTER SCHOOLS:

(a) IS NOT REQUIRED TO SUBMIT MORE THAN A ONE FULL PAGE NARRATIVE EXPLAINING THE RATIONALE FOR GROWTH.

(b) IS NOT REQUIRED TO SUBMIT AN ENROLLMENT MATRIX AND STAFFING CHART.

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

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

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

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

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

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

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

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

7 5. **STUDENT** academic progress on assessments administered pursuant
8 to section 15-741.02.

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

12 E. If neither the school nor the school district meets the minimum
13 student count as recommended by the department of education and approved
14 by the state board of education for any of the performance indicators
15 prescribed in subsection D of this section, the performance indicator
16 shall not be factored into the letter grade assigned pursuant to this
17 section.

18 F. Subject to final adoption by the state board of education, the
19 department of education shall determine the criteria for each school and
20 local education agency classification on each performance indicator of the
21 annual achievement profile prescribed in subsection D of this section
22 using a ~~researched-based~~ **RESEARCH-BASED** methodology and shall recommend to
23 the state board for final adoption the criteria for each school and local
24 education agency classification. The department shall develop the
25 methodology in collaboration with a coalition of qualified technical and
26 policy stakeholders appointed by the state board. The department shall
27 provide technical assistance and, on request, student or statewide
28 performance indicator data needed to determine and calculate the
29 methodology and final letter grades. At a minimum, the methodology shall
30 include the performance of pupils at all achievement levels, account for
31 pupil mobility, account for the distribution of pupil achievement at each
32 school and local education agency and include longitudinal indicators of
33 academic performance. For the purposes of this subsection,
34 "~~researched-based~~ **RESEARCH-BASED** methodology" means the systematic and
35 objective application of statistical and quantitative research principles
36 to calculate the indicators used to determine A through F letter grades.

37 G. The annual achievement profile shall use classifications based
38 on an A through F letter grade system adopted by the state board of
39 education in which a letter grade of A reflects an excellent level of
40 performance and a letter grade of F reflects a failing level of
41 performance. The A through F letter grade system shall be applied to each
42 performance indicator of the annual achievement profile prescribed in
43 subsection D of this section, and the state board shall assign an overall
44 letter grade for the public school or local education agency. The A
45 through F letter grade system shall indicate expected standards of

1 performance for all schools on each performance indicator of the annual
2 achievement profile prescribed in subsection D of this section and the
3 manner in which schools may rise above or fall below those expected
4 standards of performance. The state board may also assign a school a
5 letter grade of F on each performance indicator of the annual achievement
6 profile prescribed in subsection D of this section if the state board
7 determines that the school is among the persistently lowest-achieving
8 schools in the state on the majority of the performance indicators of the
9 annual achievement profile under the federal school accountability
10 requirements pursuant to section 1003(g) of the elementary and secondary
11 education act (20 United States Code section 6303).

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

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

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

37 K. The failing schools tutoring fund is established consisting of
38 monies collected pursuant to section 42-5029, subsection E and section
39 42-5029.02, subsection A, paragraph 8 as designated for this purpose. The
40 department of education shall administer the fund. The department may use
41 monies from the fund to purchase materials designed to assist students to
42 meet the Arizona academic standards and to achieve a passing score on
43 assessments adopted by the state board of education.

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

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

3 **15-241.01. School accountability; alternative operation plans**

4 A. If a school district has six or more schools and at least
5 one-half of the schools in the district are assigned a letter grade of D
6 or F pursuant to this section and at least one school is assigned a letter
7 grade of F, the department of education may submit to the state board of
8 education a recommendation for a public hearing to determine ~~if~~ WHETHER
9 the school district should be subject to an alternative operation plan and
10 the reasons for that recommendation. When considering whether to
11 recommend a public hearing pursuant to this subsection, the department
12 shall consider at least the following:

13 1. The likelihood that continued school-based interventions will be
14 successful.

15 2. The extent to which the school district administrators and the
16 school district governing board impacted the assignment of the letter
17 grades of D and F to the district's schools.

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

21 B. If the department of education recommends a public hearing
22 pursuant to subsection A of this section, the state board of education
23 shall meet and may provide by a majority vote of the entire board for the
24 development and implementation of an alternative operation plan as allowed
25 by this section. When determining whether to place a school district
26 under an alternative operation plan, the state board shall consider at
27 least the following:

28 1. The likelihood that continued school-based interventions will be
29 successful.

30 2. The extent to which the school district administrators and the
31 school district governing board impacted the assignment of the letter
32 grades D and F to the district's schools.

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

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

1 the state board reviews the alternative operation plan as described in
2 subsection E of this section.

3 D. An organization or person appointed pursuant to subsection C of
4 this section shall begin a full review and investigation of the school
5 district's educational affairs and shall submit to the state board of
6 education a detailed report listing the findings of that investigation.
7 This report shall include an alternative operation plan that details how
8 the school district will raise the level of academic achievement so that
9 all of the schools in the school district are assigned ~~grade letters~~
10 **LETTER GRADES** of A, B or C pursuant to this section. The plan shall
11 include a proposed timeline for improving academic achievement. The
12 alternative operation plan shall also include a timeline and details
13 concerning how the organization or person will transition the
14 administration of the school district back to the locally elected
15 governing board. The organization or person shall submit the report
16 within one hundred twenty days ~~from~~ AFTER the date the organization or
17 person was appointed by the state board. If approved by the state board,
18 the alternative operation plan may authorize the appointed organization or
19 person to do any of the following:

20 1. Override any decisions of the school district governing board or
21 the school district superintendent, or both, concerning the management and
22 operation of the school district, and initiate and make decisions
23 concerning the management and operation of the school district, including
24 reopening the school as a charter school.

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

31 3. Attend any meetings of the school district governing board and
32 administrative staff.

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

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

43 E. The state board of education shall periodically review the
44 status of a school district that is operating under an alternative
45 operation plan pursuant to this section to determine whether the

1 operations of the school district should be returned to the school
2 district governing board. Before the state board makes a determination to
3 terminate an alternative operation plan, the state board or its designee
4 shall meet with the school district governing board or its designee to
5 establish an appropriate time frame and address any additional operational
6 considerations that are necessary to ensure a smooth transition of
7 authority from the appointed organization or person back to the school
8 district governing board. When determining whether to terminate an
9 alternative operation plan, the state board shall consider whether the
10 district's schools have made significant academic gains as determined by
11 individual school achievement profiles established pursuant to this
12 section.

13 F. If at any time the state board determines that the progress of
14 an organization or person who is appointed pursuant to this subsection or
15 subsection C of this section is insufficient, the state board may remove
16 that organization or person and make an alternative appointment. All
17 authority granted pursuant to the approved alternative operation plan
18 shall be transferred to the newly appointed organization or person. The
19 state board may require the newly appointed organization or person to
20 prepare a revised alternative operation plan as described in subsection D
21 of this section.

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

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

30 I. The school district shall indemnify the organization or person
31 appointed pursuant to subsection C or F of this section if that
32 organization or person is made or threatened to be made a party to any
33 litigation by reason of the organization's or person's status under this
34 section **AND** if the organization or person acted in good faith and in a
35 manner the organization or person believed to be lawful and in the best
36 interest of the school district.

37 J. All information received and records or reports kept by the
38 state board of education during an investigation resulting from a
39 complaint against an organization or person appointed pursuant to
40 subsection C or F of this section are confidential and are not public
41 records.

42 K. **NOTWITHSTANDING ANY OTHER LAW AND BEGINNING JANUARY 1, 2029, THE**
43 **STATE BOARD OF EDUCATION SHALL REQUIRE ANY SCHOOL THAT IS OPERATED BY A**
44 **SCHOOL DISTRICT, THAT IS ASSIGNED A LETTER GRADE OF F PURSUANT TO SECTION**
45 **15-241 FOR THREE CONSECUTIVE YEARS AND THAT HAS NOT DEMONSTRATED STUDENT**

1 GROWTH AT A RATE HIGHER THAN THIS STATE TO SELECT TO EITHER INITIATE A
2 COLLABORATIVE OPERATIONAL AND INSTRUCTIONAL PARTNERSHIP AS PRESCRIBED IN
3 PARAGRAPH 1 OF THIS SUBSECTION OR BE ASSIGNED A SOLUTIONS TEAM AND AN
4 ALTERNATIVE OPERATION PLAN AS PRESCRIBED IN PARAGRAPH 2 OF THIS
5 SUBSECTION. DEPENDING ON THE SCHOOL'S SELECTION, THE STATE BOARD OF
6 EDUCATION SHALL EITHER:

7 1. REQUIRE THE SCHOOL TO INITIATE A COLLABORATIVE OPERATIONAL AND
8 INSTRUCTIONAL PARTNERSHIP WITH A SCHOOL THAT IS ASSIGNED A LETTER GRADE OF
9 A PURSUANT TO SECTION 15-241 OR AN ORGANIZATION THAT HAS DEMONSTRATED
10 INCREASING ACADEMIC ACHIEVEMENT WITH STUDENTS SIMILAR TO THE STUDENT
11 DEMOGRAPHIC POPULATION OF THE SCHOOL. THE STATE BOARD OF EDUCATION SHALL
12 ALLOW FOR A VARIETY OF OPTIONS IN THE SELECTION AND DEVELOPMENT OF THE
13 COLLABORATIVE OPERATIONAL AND INSTRUCTIONAL PARTNERSHIP AND MAY NOT
14 PRESCRIBE THE SCOPE OF THE PARTNERSHIP. IF A SCHOOL SELECTS THIS OPTION,
15 THE STATE BOARD OF EDUCATION SHALL REVIEW AND APPROVE THE PARTNERSHIP
16 PLAN. THE STATE BOARD OF EDUCATION MAY ESTABLISH A SUBCOMMITTEE OF THE
17 BOARD THAT INCLUDES STATE BOARD OF EDUCATION MEMBERS, MEMBERS OF THE LOCAL
18 SCHOOL COMMUNITY, REPRESENTATIVES OF THE DEPARTMENT OF EDUCATION, THE
19 COUNTY SCHOOL SUPERINTENDENT FROM THE COUNTY IN WHICH THE SCHOOL IS
20 LOCATED OR OTHER MEMBERS AS DETERMINED BY THE BOARD TO MAKE
21 RECOMMENDATIONS TO THE STATE BOARD OF EDUCATION REGARDING THE
22 COLLABORATIVE OPERATIONAL AND INSTRUCTIONAL PARTNERSHIP. A COLLABORATIVE
23 OPERATIONAL AND INSTRUCTIONAL PARTNERSHIP DEVELOPED UNDER THIS SUBSECTION
24 MUST ADDRESS ALL OF THE FOLLOWING:

25 (a) A SCHOOL IMPROVEMENT FRAMEWORK THAT HAS DEMONSTRATED SUCCESS IN
26 LIKE POPULATIONS.

27 (b) IDENTIFIED FOCUS ON GUARANTEED AND VIABLE CURRICULUM.

28 (c) PROFESSIONAL DEVELOPMENT FOR IMPROVEMENT IN PEDAGOGY AND
29 CONTENT.

30 (d) EVIDENCE OF A FOCUS ON DATA-DRIVEN DECISIONS.

31 (e) IDENTIFIED FOCUS ON DEVELOPMENT OF SITE LEADERS.

32 2. DIRECT THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE COUNTY
33 EDUCATIONAL SERVICE AGENCY TO COLLABORATE TO ASSIGN A SOLUTIONS TEAM UNDER
34 SECTION 15-241.02, SUBSECTION E AND HOLD A PUBLIC HEARING TO PROVIDE AN
35 ALTERNATIVE OPERATION PLAN FOR THE SCHOOL PURSUANT TO SECTION 15-241.02,
36 SUBSECTION K.

37 L. THE STATE BOARD OF EDUCATION MAY WAIVE THE REQUIREMENTS OF
38 SUBSECTION K OF THIS SECTION FOR ONE YEAR IF THE SCHOOL IN THE MOST RECENT
39 SCHOOL YEAR FOR WHICH DATA IS AVAILABLE HAS ACHIEVED SIGNIFICANT ACADEMIC
40 GROWTH WITH STUDENTS, AS DETERMINED BY THE STATE BOARD OF EDUCATION.

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 ~~OR A SCHOOL~~
17 ~~THAT HAS SELECTED THE OPTION PRESCRIBED IN SECTION 15-241.01, SUBSECTION~~
18 ~~K, PARAGRAPH 2~~ based on academic need and available resources. County
19 educational service agencies may enter into agreements to provide services
20 to schools from other counties. Any other school, subject to available
21 resources, may be assigned a solutions team pursuant to a mutual agreement
22 between the department of education or the county education service
23 agency, or both, and the school. The solutions team shall be composed of
24 master teachers, fiscal analysts and curriculum assessment experts who are
25 certified by the state board of education as Arizona academic standards
26 technicians. The department of education or the county educational
27 service agency may hire or contract with administrators, principals and
28 teachers who have demonstrated experience in improving academic outcomes
29 and may use these personnel as part of the solutions team. The department
30 of education shall work with staff at the school to assist in curricula
31 alignment and shall instruct teachers on how to increase pupil academic
32 progress, considering the school's annual achievement profile. The
33 solutions team shall consider the existing improvement plan to assess the
34 need for changes to curricula, professional development and resource
35 allocation and shall present a statement of its findings to the school
36 administrator and district superintendent. Within forty-five days after
37 the presentation of the solutions team's statement of findings, the school
38 district governing board, in cooperation with each school within the
39 school district that is assigned a letter grade of D and its assigned
40 solutions team representative, shall develop and submit to the department
41 of education and the county educational service agency an action plan that
42 details the manner in which the school district will assist the school as
43 the school incorporates the findings of the solutions team into the
44 improvement plan. The department of education shall review the action
45 plan and shall either accept the action plan or return the action plan to

1 the school district for modification. If the school district does not
2 submit an approved action plan within forty-five days, the state board of
3 education may direct the superintendent of public instruction to withhold
4 up to ten percent of state monies that the school district would otherwise
5 be entitled to receive each month until the plan is submitted to the
6 department of education and the county educational service agency, at
7 which time those monies shall be returned to the school district.

8 F. The parent or guardian of a pupil may apply to the department of
9 education, in a manner determined by the department of education, for a
10 certificate of supplemental instruction from the failing schools tutoring
11 fund established by section 15-241. Pupils attending a school assigned a
12 letter grade of D or F may select an alternative tutoring program in
13 academic standards from a provider that is certified by the state board of
14 education. To qualify, the provider must state in writing a level of
15 academic improvement for the pupil that includes a timeline for
16 improvement that is agreed to by the parent or guardian of the pupil. The
17 state board of education shall annually review academic performance levels
18 for certified providers and may remove a provider at a public hearing from
19 an approved list of providers if that provider fails to meet its stated
20 level of academic improvement. The state board of education shall
21 determine the application guidelines and the maximum value for each
22 certificate of supplemental instruction. The state board of education
23 shall annually complete a market survey in order to determine the maximum
24 value for each certificate of supplemental instruction. This subsection
25 does not require this state to provide additional monies beyond the monies
26 provided pursuant to section 42-5029, subsection E, paragraph 7 or section
27 42-5029.02, subsection A, paragraph 7.

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

44 H. A school that has not submitted an improvement plan pursuant to
45 subsection G of this section is not eligible to receive monies from the

1 classroom site fund established by section 15-977 for every day that a
2 plan has not been received by the superintendent of public instruction
3 within the time specified in subsection G of this section plus an
4 additional ninety days. The state board of education shall require the
5 superintendent of the school district to testify before the board and
6 explain the reasons that an improvement plan for that school has not been
7 submitted.

8 I. If a charter school is assigned a letter grade of F pursuant to
9 section 15-241, the department of education shall immediately notify the
10 charter school's sponsor. The charter school's sponsor shall either take
11 action to restore the charter school to acceptable performance **PURSUANT TO**
12 **A PROCESS ESTABLISHED BY THE CHARTER SPONSOR** or revoke the charter
13 school's charter. Within thirty days, the charter school shall notify the
14 parents of the students attending the school of the classification and of
15 any pending public meetings to review the issue.

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

31 K. If the department recommends a public hearing **OR IF A SCHOOL**
32 **SELECTS THE OPTION PRESCRIBED IN SECTION 15-241.01, SUBSECTION**
33 **K, PARAGRAPH 2**, the state board of education shall meet and may provide by a
34 majority vote at the public hearing for the continued operation of the
35 school as allowed by this subsection. The state board of education shall
36 determine whether governmental, nonprofit and private organizations may
37 submit applications to the state board to fully or partially manage the
38 school. The state board's determination shall include:

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

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

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

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

1 5. A suggested time frame for the alternative operation of the
2 school.

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

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

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

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

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

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

44 Q. The state board of education shall adopt guidelines to include
45 supplementary training in reading instruction for teachers who provide

1 instruction to pupils in a kindergarten program or grade one, two or three
2 in an improvement plan pursuant to subsection A of this section.

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

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

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

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

25 **41-5702. Powers and duties; staffing; reporting requirements**

26 A. The division shall:

27 1. Assess school facilities and equipment deficiencies and approve
28 the distribution of grants as appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (iii) Any completed professional study regarding the proposed
43 project.

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

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

(vi) The project category.

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

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

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

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

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

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

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

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

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

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

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

(d) A summary of the findings of common design elements and characteristics of the highest performing schools and the lowest

1 performing schools based on academic productivity, including the results
2 of the parent quality rating survey. For the purposes of this
3 subdivision, "academic productivity" means academic year advancement per
4 calendar year as measured with student-level data using the statewide
5 nationally standardized norm-referenced achievement test.

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

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

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

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

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

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

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

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

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

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

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

- 1 1. Private services.
- 2 2. Construction project management services.
- 3 3. Assessments for school buildings to determine if the buildings
- 4 have outlived their useful life pursuant to section 41-5741, subsection G
- 5 or have been condemned.
- 6 4. Services related to land acquisition and development of a school
- 7 site.
- 8 C. The school facilities oversight board shall:
 - 9 1. Review and approve student population projections submitted by
 - 10 school districts to determine to what extent school districts are entitled
 - 11 to monies to construct new facilities pursuant to section 41-5741. The
 - 12 board shall make a final determination within five months after receiving
 - 13 an application from a school district for monies from the new school
 - 14 facilities fund.
 - 15 2. Certify that plans for new school facilities meet the building
 - 16 adequacy standards prescribed in section 41-5711.
 - 17 3. Review and approve or reject requests submitted by school
 - 18 districts to take actions pursuant to section 15-341, subsection G.
 - 19 4. On or before December 15 of each year, electronically submit a
 - 20 report to the speaker of the house of representatives, the president of
 - 21 the senate, the superintendent of public instruction, the secretary of
 - 22 state and the governor that includes the following information:
 - 23 (a) A detailed description of the amount of monies the board
 - 24 distributed under this chapter in the previous fiscal year.
 - 25 (b) A list of each capital project that received monies from the
 - 26 board under this chapter during the previous fiscal year, a brief
 - 27 description of each project that was funded and a summary of the board's
 - 28 reasons for distributing monies for the project.
 - 29 (c) A summary of the findings and conclusions of the building
 - 30 maintenance inspections conducted pursuant to this article during the
 - 31 previous fiscal year.
 - 32 5. On or before December 1 of each year, electronically report to
 - 33 the joint committee on capital review the amounts necessary to fulfill the
 - 34 requirements of section 41-5741 for the following three fiscal years. In
 - 35 developing the amounts necessary for this report, the board shall use the
 - 36 most recent average daily membership data available. On request from the
 - 37 board, the department of education shall make available the most recent
 - 38 average daily membership data for use in calculating the amounts necessary
 - 39 to fulfill the requirements of section 41-5741 for the following three
 - 40 fiscal years. The board shall provide copies of the report to the
 - 41 president of the senate, the speaker of the house of representatives and
 - 42 the governor.
 - 43 6. Adopt minimum school facility adequacy guidelines to provide the
 - 44 minimum quality and quantity of school buildings and the facilities and
 - 45 equipment necessary and appropriate to enable pupils to achieve the

1 educational goals of the Arizona state schools for the deaf and the blind.
2 The board shall establish minimum school facility adequacy guidelines
3 applicable to the Arizona state schools for the deaf and the blind.

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

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

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

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

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

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

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

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

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

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

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

43 9. Shall establish procedures to ensure compliance with the notice
44 and hearing requirements prescribed in section 15-905. The notice and
45 hearing procedures adopted by the board shall include the requirement,

1 with respect to the board's consideration of any application filed after
2 July 1, 2001 or after December 31 of the year in which the property
3 becomes territory in the vicinity of a military airport or ancillary
4 military facility as defined in section 28-8461 for monies to fund the
5 construction of new school facilities proposed to be located in territory
6 in the vicinity of a military airport or ancillary military facility, that
7 the military airport receive notification of the application by first
8 class mail at least thirty days before any hearing concerning the
9 application.

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

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

16 12. Shall determine administrative completeness within one month
17 after receiving an application from a school district for monies from the
18 new school facilities fund.

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

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

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

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

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

44 I. The board or the division shall not distribute monies to a
45 school district for replacing or repairing facilities if the costs

1 associated with the replacement or repair are covered by insurance or a
2 performance or payment bond.

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

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

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

27 M. The ~~board and the~~ division may temporarily transfer monies, or,
28 if applicable, **THE BOARD MAY** direct the division to transfer monies,
29 between the emergency deficiencies correction fund established by section
30 41-5721 and the new school facilities fund established by section 41-5741
31 if all of the following conditions are met:

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

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

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

39 N. After notifying each school district, and if a written objection
40 from the school district is not received by the board or the division
41 within thirty days after the notification, the board or the division may
42 access public utility company records of power, water, natural gas,
43 telephone and broadband usage to assemble consistent and accurate data on
44 utility consumption at school facilities to determine the effectiveness of
45 facility design, operation and maintenance measures intended to reduce

1 energy and water consumption and costs. Any public utility that provides
2 service to a school district in this state shall provide the data
3 requested by the board or the division pursuant to this subsection.

4 0. The division or the board shall not require a common school
5 district that provides instruction to pupils in grade nine to obtain
6 approval from the division or the board to reconfigure its school
7 facilities. A common school district that provides instruction to pupils
8 in grade nine is not entitled to additional monies from the division or
9 the board for facilities to educate pupils in grade nine.

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

15 Sec. 6. Operation excellence school improvement program;
16 school achievement improvement fund; distributions;
17 improvement plans; request for proposals;
18 independent school improvement partners; reporting
19 requirements; delayed repeal

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

28 B. The school achievement improvement fund is established for the
29 purposes of this section. The fund consists of legislative
30 appropriations, gifts, grants, donations and any other monies transferred
31 to the fund. The department of education shall administer the fund at the
32 direction of the state board of education. Monies in the fund are
33 continuously appropriated and are exempt from the provisions of section
34 35-190, Arizona Revised Statutes, relating to lapsing of appropriations,
35 except that any monies remaining in the fund on December 31, 2027 revert
36 to the state general fund. The department of education may accept and
37 spend federal monies and private grants, gifts, contributions and devises
38 to assist in carrying out this section.

39 C. Beginning January 1, 2023, the state board of education shall
40 identify schools that will be designated as operation excellence schools.
41 The state board shall identify schools that meet either of the following
42 criteria:

43 1. Any school operated by a school district or charter holder that
44 received a letter grade of D or F during both the 2018-2019 fiscal year

1 and the 2021-2022 fiscal year pursuant to section 15-241, Arizona Revised
2 Statutes.

3 2. Any school operated by a school district or charter holder that
4 is not eligible to receive or has not been assigned a letter grade
5 pursuant to section 15-241, Arizona Revised Statutes, and that has been
6 identified by the department of education as a school requiring
7 comprehensive support and improvement for low achievement pursuant to the
8 every student succeeds act (P.L. 114-95; 129 Stat. 1802) in the prior or
9 most recent fiscal year.

10 D. A school operated by a school district or charter holder may opt
11 to participate in the operation excellence school improvement program by
12 notifying the state board of education. A school may opt into operation
13 excellence if either of the following applies:

14 1. The school is operated by a school district or charter holder
15 that has been assigned a letter grade of C, D or F during the 2018-2019
16 fiscal year or the 2021-2022 fiscal year pursuant to section 15-241,
17 Arizona Revised Statutes, and at least sixty percent of the pupils
18 enrolled in the school meet the eligibility requirements established under
19 the national school lunch and child nutrition acts (42 United States Code
20 sections 1751 through 1793) for free or reduced-price lunches, or an
21 equivalent measure recognized for participating in the federal free and
22 reduced-price lunch program and other school programs dependent on a
23 poverty measure, including the community eligibility provision for which
24 free and reduced-price lunch data is not available. For the purposes of
25 this paragraph, only students who are eligible to be included in a
26 school's student count shall be considered in determining that school's
27 percentage of free or reduced-price lunch students or other poverty
28 indicators.

29 2. The school is operated by a school district or charter holder
30 that has been identified by the department of education as a school
31 requiring comprehensive support and improvement for low achievement
32 pursuant to the every student succeeds act (P.L. 114-95; 129 Stat. 1802)
33 in the prior or most recent fiscal year.

34 E. A school that is opting to participate pursuant to subsection D
35 of this section shall notify the state board of education on or before
36 January 30, 2023.

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

42 G. For fiscal years 2023-2024, 2024-2025 and 2025-2026, at the
43 direction of the state board of education, the department of education
44 shall distribute monies from the school achievement improvement fund to
45 school districts and charter schools that have selected to engage in

1 school improvement pursuant to subsection D of this section or required to
2 participate pursuant to subsection C of this section in the amount of \$150
3 per student who is enrolled in the current school year. A school that is
4 eligible to receive funding for the small school weight prescribed in
5 section 15-943, paragraph 1, Arizona Revised Statutes, may not receive
6 less than \$30,000 in total funding pursuant to this subsection.

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

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

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

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

35 L. The school district governing board of a school that meets the
36 requirements prescribed in subsection C of this section is subject to both
37 of the following:

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

40 (a) The superintendent of the school district.

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

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

1 2. Not later than March 1, 2023, the operation excellence committee
2 shall submit an improvement plan to the state board of education to
3 improve student outcomes, which may include targeted academic
4 interventions, professional development, adaptive technology or other
5 evidence-based, proven strategies to close the achievement gap. The
6 committee shall inform the state board of education which approved school
7 improvement partner or partners from the partner network list identified
8 by the state board pursuant to subsection N of this section will implement
9 the improvement plan developed under this paragraph. Notwithstanding any
10 other law, subject to the approval of the state board of education, the
11 school district governing board of a school that is submitting an
12 improvement plan pursuant to this paragraph may apply to the state board
13 of education for a waiver of identified provisions of title 15, chapter 5,
14 Arizona Revised Statutes, for the duration of the improvement plan
15 authorized pursuant to this section. The school district governing board
16 shall identify the provisions of title 15, chapter 5, Arizona Revised
17 Statutes, that apply and shall explain the reasons for exemption from
18 those provisions of state law during the duration of the improvement plan.

19 M. The charter holder of a charter school that meets the
20 requirements prescribed in subsection C of this section is subject to both
21 of the following:

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

24 (a) The chief administrative officer of the identified charter
25 school.

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

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

30 2. Not later than March 1, 2023, the committee shall submit an
31 improvement plan to the state board of education to improve student
32 outcomes, which may include targeted academic interventions, professional
33 development, adaptive technology or other evidence-based, proven
34 strategies to close the achievement gap. The committee shall partner with
35 approved independent school improvement partners from the partner network
36 list identified by the state board of education pursuant to subsection N
37 of this section to implement the improvement plan developed under this
38 paragraph.

39 N. On or before January 1, 2023, the state board of education shall
40 identify approved independent school improvement partners to be included
41 on a partner network list through a request for proposals process. A
42 school district or the charter holder of a school that meets the
43 requirements prescribed in subsection C of this section shall select from
44 the partner network list to implement, in partnership with the school's
45 operation excellence committee, the improvement plan submitted under

1 subsection L or M of this section. A state agency, or any subsidiary of
2 the state agency, that meets the criteria prescribed in subsection O of
3 this section is eligible for inclusion on the partner network list.

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

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

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

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

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

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

22 1. Collecting and analyzing data on student achievement.

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

25 3. Monitoring the implementation of the improvement plan.

26 4. Providing implementation support for the improvement plan.

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

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

36 S. If a school district has an existing improvement plan on file
37 with the department of education under any provision of title 15, Arizona
38 Revised Statutes, or pursuant to the every student succeeds act (P.L.
39 114-95; 129 Stat. 1802), the plan submitted under this section must
40 attempt to align with or expand on the existing improvement plan.

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

1 U. On or before June 1 of each year, each school that received
2 monies pursuant to this section in the prior fiscal year shall submit a
3 report to the state board of education that describes how the improvement
4 plan developed pursuant to this section has improved student academic
5 achievement. The state board of education may request additional
6 information or data to be included in these reports. The state board of
7 education may require additional reports as needed throughout the year to
8 assess a school's progress. The state board of education shall review each
9 improvement plan annually and require any modifications. If an improvement
10 plan or report is not submitted, the state board of education shall
11 withhold monies under this section until the plan or report is submitted
12 according to this section.

13 V. On or before October 1, 2024, October 1, 2025 and October 1,
14 2026, the state board of education shall compile each report submitted
15 pursuant to subsection U of this section and provide that information to
16 the joint legislative budget committee, the governor's office of strategic
17 planning and budgeting and the chairpersons of the education committees of
18 the house of representatives and the senate, or their successor
19 committees.

20 W. On or before December 1, 2027, the state board of education
21 shall submit a final report on the operation excellence school improvement
22 program to the governor, the president of the senate, the speaker of the
23 house of representatives, the joint legislative budget committee and the
24 governor's office of strategic planning and budgeting and shall provide a
25 copy of the report to the secretary of state. The report shall include
26 information on all of the following:

27 1. The schools and independent school improvement partners that
28 participated in the program.

29 2. The academic progress of students in schools participating in
30 the program.

31 3. Any other information necessary to evaluate the effectiveness of
32 the program.

33 X. The state board of education shall consult and engage with
34 school improvement experts that have proven to be successful in this state
35 to develop an evidence-based model framework for school improvement.

36 Y. This section is repealed from and after December 31, 2027.

37 Sec. 7. Appropriations; school achievement improvement fund;
38 state board of education

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

42 B. Of the amounts appropriated under subsection A of this section,
43 the state board of education may use up to \$1,000,000 in each of fiscal
44 years 2022-2023, 2023-2024 and 2024-2025 to administer the operation
45 excellence school improvement program established by section 6 of this

1 act. Notwithstanding any other law, seven full-time equivalent positions
2 are appropriated from the state general fund in each of fiscal years
3 2022-2023, 2023-2024 and 2024-2025 to the state board of education for the
4 purposes prescribed in this subsection.

5 Sec. 8. Retroactivity

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