

PROPOSED

SENATE AMENDMENTS TO H.B. 2284

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

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 in
8 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.

1 2. The applicant may apply to the state board of education or the
2 state board for charter schools. Notwithstanding any other law, neither
3 the state board for charter schools nor the state board of education shall
4 grant a charter to a school district governing board for a new charter
5 school or for the conversion of an existing district public school to a
6 charter school. The state board of education or the state board for
7 charter schools may approve the application if the application meets the
8 requirements of this article and may approve the charter if the proposed
9 sponsor determines, within its sole discretion, that the applicant is
10 sufficiently qualified to operate a charter school and that the applicant
11 is applying to operate as a separate charter holder by considering factors
12 such as whether:

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

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

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

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

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

23 (f) The applicant is reconstituting an existing grade configuration
24 from a prior charter holder with at least one grade remaining on the
25 original site with the other grade or grades moving to a new site. The
26 state board of education or the state board for charter schools may approve
27 any charter schools transferring charters. If the state board of education
28 or the state board for charter schools rejects the preliminary application,
29 the state board of education or the state board for charter schools shall
30 notify the applicant in writing of the reasons for the rejection and of
31 suggestions for improving the application. An applicant may submit a
32 revised application for reconsideration by the state board of education or

1 the state board for charter schools. The applicant may request, and the
2 state board of education or the state board for charter schools may
3 provide, technical assistance to improve the application.

4 3. The applicant may submit the application to a university under
5 the jurisdiction of the Arizona board of regents, a community college
6 district or a group of community college districts. A university, a
7 community college district or a group of community college districts shall
8 not grant a charter to a school district governing board for a new charter
9 school or for the conversion of an existing district public school to a
10 charter school. A university, a community college district or a group of
11 community college districts may approve the application if it meets the
12 requirements of this article and if the proposed sponsor determines, in its
13 sole discretion, that the applicant is sufficiently qualified to operate a
14 charter school.

15 4. Each applicant seeking to establish a charter school shall submit
16 a full set of fingerprints to the approving agency for the purpose of
17 obtaining a state and federal criminal records check pursuant to section
18 41-1750 and Public Law 92-544. If an applicant will have direct contact
19 with students, the applicant shall possess a valid fingerprint clearance
20 card that is issued pursuant to title 41, chapter 12, article 3.1. The
21 department of public safety may exchange this fingerprint data with the
22 federal bureau of investigation. The criminal records check shall be
23 completed before the issuance of a charter.

24 5. All persons engaged in instructional work directly as a
25 classroom, laboratory or other teacher or indirectly as a supervisory
26 teacher, speech therapist or principal shall have a valid fingerprint
27 clearance card that is issued pursuant to title 41, chapter 12,
28 article 3.1, unless the person is a volunteer or guest speaker who is
29 accompanied in the classroom by a person with a valid fingerprint clearance
30 card. A charter school shall not employ in any position that requires a
31 valid fingerprint clearance card a person against whom the state board of
32 education has taken disciplinary action as prescribed in section 15-505 or

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

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

(b) Ensures that the department of public safety completes a statewide criminal records check on the applicant. A statewide criminal

1 records check shall be completed by the department of public safety every
2 one hundred twenty days until the date that the fingerprint check is
3 completed or the fingerprint clearance card is issued or denied.

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

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

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

12 (f) Verifies the fingerprint status of the applicant with the
13 department of public safety.

14 6. A charter school that complies with the fingerprinting
15 requirements of this section shall be deemed to have complied with section
16 15-512 and is entitled to the same rights and protections provided to
17 school districts by section 15-512.

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

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

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

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

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

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

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

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

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

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

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

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

30 4. Ensure that it designs a method to measure pupil progress toward
31 the pupil outcomes adopted by the state board of education pursuant to
32 section 15-741.01, including participation in the statewide assessment and

1 the nationally standardized norm-referenced achievement test as designated
2 by the state board and the completion and distribution of an annual report
3 card as prescribed in chapter 7, article 3 of this title.

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

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

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

25 8. Ensure that it provides for a governing body for the charter
26 school that is responsible for the policy decisions of the charter school.
27 Notwithstanding section 1-216, if there is a vacancy or vacancies on the
28 governing body, a majority of the remaining members of the governing body
29 constitute a quorum for the transaction of business, unless that quorum is
30 prohibited by the charter school's operating agreement.

31 9. Ensure that it provides a minimum of one hundred eighty
32 instructional days before June 30 of each fiscal year unless it is

1 operating on an alternative calendar approved by its sponsor. The
2 superintendent of public instruction shall adjust the apportionment
3 schedule accordingly to accommodate a charter school utilizing an
4 alternative calendar.

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

16 G. The charter of a charter school may be amended at the request of
17 the governing body of the charter school and on the approval of the
18 sponsor.

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

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

22 1. At least eighteen months before ~~the~~ the charter expires, the
23 sponsor shall notify the charter school that the charter school may apply
24 for renewal and shall make the renewal application available to the charter
25 school. A charter school that elects to apply for renewal shall file a
26 complete renewal application at least fifteen months before the charter
27 expires. A sponsor shall give written notice of its intent not to renew
28 the charter school's request for renewal to the charter school at least
29 twelve months before the expiration of the charter. The sponsor shall make
30 data used in making renewal decisions available to the school and the
31 public and shall provide a public report summarizing the evidence basis for

1 each decision. The sponsor may deny the request for renewal if, in its
2 judgment, the charter holder has failed to do any of the following:

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

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

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

9 (d) Complete the obligations of the contract.

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

12 2. A charter operator may apply for early renewal. At least nine
13 months before the charter school's intended renewal consideration, the
14 operator of the charter school shall submit a letter of intent to the
15 sponsor to apply for early renewal. The sponsor shall review fiscal audits
16 and academic performance data for the charter school that are annually
17 collected by the sponsor, review the current contract between the sponsor
18 and the charter school and provide the qualifying charter school with a
19 renewal application. On submission of a complete application, the sponsor
20 shall give written notice of its consideration of the renewal
21 application. The sponsor may deny the request for early renewal if, in the
22 sponsor's judgment, the charter holder has failed to do any of the
23 following:

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

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

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

30 (d) Complete the obligations of the contract.

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

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

6 (a) Meet or make sufficient progress toward the academic performance
7 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) Comply with this article or any provision of law from which the
13 charter school is not exempt.

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

18 5. At least sixty days before the effective date of the proposed
19 revocation, the sponsor shall give written notice to the operator of the
20 charter school of its intent to revoke the charter. Notice of the
21 sponsor's intent to revoke the charter shall be delivered personally to the
22 operator of the charter school or sent by certified mail, return receipt
23 requested, to the address of the charter school. The notice shall
24 incorporate a statement of reasons for the proposed revocation of the
25 charter. The sponsor shall allow the charter school at least sixty days to
26 correct the problems associated with the reasons for the proposed
27 revocation of the charter. The final determination of whether to revoke
28 the charter shall be made at a public hearing called for that purpose.

29 J. The charter may be renewed for successive periods of twenty
30 years.

31 K. EXCEPT AS OTHERWISE ALLOWED AND REQUIRED UNDER LAW, a charter
32 school that is sponsored by the state board of education, the state board

1 for charter schools, a university, a community college district or a group
2 of community college districts may not be located on the property of a
3 school district unless the district governing board grants this authority.

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

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

18 (a) Disciplinary or corrective action.
19 (b) Detail, transfer or reassignment.
20 (c) Suspension, demotion or dismissal.
21 (d) An unfavorable performance evaluation.
22 (e) A reduction in pay, benefits or awards.
23 (f) Elimination of the employee's position without a reduction in
24 force by reason of lack of monies or work.

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

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

29 (a) Suspension or termination of the program.
30 (b) Transfer or reassignment of the program to a less favorable
31 department.

(c) Relocation of the program to a less favorable site within the school or school district.

(d) Significant reduction or termination of funding for the program.

M. Charter schools shall secure insurance for liability and property loss. The governing body of a charter school that is sponsored by the state board of education or the state board for charter schools may enter into an intergovernmental agreement or otherwise contract to participate in an insurance program offered by a risk retention pool established pursuant to section 11-952.01 or 41-621.01 or the charter school may secure its own insurance coverage. The pool may charge the requesting charter school reasonable fees for any services it performs in connection with the insurance program.

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

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

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

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

R. The sponsoring entity of a charter school shall have oversight and administrative responsibility for the charter schools that it sponsors. In implementing its oversight and administrative

1 responsibilities, the sponsor shall ground its actions in evidence of the
2 charter holder's performance in accordance with the performance framework
3 adopted by the sponsor. The performance framework shall be publicly
4 available, shall be placed on the sponsoring entity's website and shall
5 include:

6 1. The academic performance expectations of the charter school and
7 the measurement of sufficient progress toward the academic performance
8 expectations.

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

11 3. The financial expectations of the charter school.

12 4. Intervention and improvement policies.

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

15 T. All property accumulated by a charter school shall remain the
16 property of the charter school.

17 U. Charter schools may not locate a school on property that is less
18 than one-fourth mile from agricultural land regulated pursuant to section
19 3-365, except that the owner of the agricultural land may agree to comply
20 with the buffer zone requirements of section 3-365. If the owner agrees in
21 writing to comply with the buffer zone requirements and records the
22 agreement in the office of the county recorder as a restrictive covenant
23 running with the title to the land, the charter school may locate a school
24 within the affected buffer zone. The agreement may include any
25 stipulations regarding the charter school, including conditions for future
26 expansion of the school and changes in the operational status of the school
27 that will result in a breach of the agreement.

28 V. A transfer of a charter to another sponsor, a transfer of a
29 charter school site to another sponsor or a transfer of a charter school
30 site to a different charter shall be completed before the beginning of the
31 fiscal year that the transfer is scheduled to become effective. An entity
32 that sponsors charter schools may accept a transferring school after the

1 beginning of the fiscal year if the transfer is approved by the
2 superintendent of public instruction. The superintendent of public
3 instruction shall have the discretion to consider each transfer during the
4 fiscal year on a case-by-case basis. A charter holder seeking to transfer
5 sponsors shall comply with the current charter terms regarding assignment
6 of the charter. A charter holder transferring sponsors shall notify the
7 current sponsor that the transfer has been approved by the new sponsor.

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

13 X. Notwithstanding subsection Y of this section, the state board for
14 charter schools shall charge a processing fee to any charter school that
15 amends its contract to participate in Arizona online instruction pursuant
16 to section 15-808. The charter Arizona online instruction processing fund
17 is established consisting of fees collected and administered by the state
18 board for charter schools. The state board for charter schools shall use
19 monies in the fund only for processing contract amendments for charter
20 schools participating in Arizona online instruction. Monies in the fund
21 are continuously appropriated.

22 Y. The sponsoring entity may not charge any fees to a charter school
23 that it sponsors unless the sponsor has provided services to the charter
24 school and the fees represent the full value of those services provided by
25 the sponsor. On request, the value of the services provided by the sponsor
26 to the charter school shall be demonstrated to the department of education.

27 Z. Charter schools may enter into an intergovernmental agreement
28 with a presiding judge of the juvenile court to implement a law-related
29 education program as defined in section 15-154. The presiding judge of the
30 juvenile court may assign juvenile probation officers to participate in a
31 law-related education program in any charter school in the county. The cost

1 of juvenile probation officers who participate in the program implemented
2 pursuant to this subsection shall be funded by the charter school.

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

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

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

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

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

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

1 religious or other civic or governmental purpose. The charter school may
2 charge a reasonable fee for the use of the school property.

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

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

12 1. The current number of charters authorized and the number of
13 schools operated by authorized charter holders.

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

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

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

22 II. The auditor general shall prescribe the format for the annual
23 report required by subsection HH of this section and may require that the
24 annual report be submitted electronically. The auditor general shall
25 review the submitted annual reports to ensure that the reports include the
26 required items in subsection HH of this section and shall make the annual
27 reports available on request. If the auditor general finds significant
28 noncompliance or if a sponsor fails to submit the annual report required by
29 subsection HH of this section, on or before December 31 of each year the
30 auditor general shall report to the governor, the president of the senate,
31 the speaker of the house of representatives and the chairs of the senate
32 and house education committees or their successor committees, and the

1 legislature shall consider revoking the sponsor's authority to sponsor
2 charter schools.

3 JJ. NOTWITHSTANDING ANY OTHER LAW, A CHARTER SCHOOL THAT IS A MEMBER
4 OF THE ARIZONA ACHIEVEMENT DISTRICT ESTABLISHED BY SECTION 41-5841 MAY
5 EXPAND TO SERVE MORE STUDENTS THROUGH EITHER OF THE FOLLOWING:

6 1. AN ENROLLMENT CAP INCREASE. THE CHARTER SCHOOL SHALL APPLY TO
7 THE CHARTER SPONSOR FOR APPROVAL OF AN ENROLLMENT CAP INCREASE PURSUANT TO
8 THIS SUBSECTION THROUGH AN EXPEDITED PROCESS THAT IS ESTABLISHED BY THE
9 CHARTER SPONSOR.

10 2. THE ESTABLISHMENT OF A NEW SCHOOL. THE CHARTER SCHOOL SHALL
11 APPLY TO THE CHARTER SPONSOR FOR APPROVAL OF A NEW SCHOOL PURSUANT TO THIS
12 SUBSECTION THROUGH AN EXPEDITED PROCESS THAT IS ESTABLISHED BY THE CHARTER
13 SPONSOR.

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

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

19 2. REQUIRE THE APPROVAL OF THE EXECUTIVE DIRECTOR OF THE STATE BOARD
20 FOR CHARTER SCHOOLS ONLY, EXCEPT THAT IF THE EXECUTIVE DIRECTOR DENIES THE
21 APPLICATION, THE APPLICATION SHALL BE TRANSMITTED TO THE STATE BOARD FOR
22 CHARTER SCHOOLS FOR A FINAL DETERMINATION.

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

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

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

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

3 15-241. School, charter school and school district
4 accountability; annual achievement profiles;
5 classification; letter grade system; profiles;
6 appeals process; failing schools tutoring fund;
7 definition

8 A. On or before November 1 of each year, the department of education
9 shall compile for each public school and local education agency, and shall
10 recommend to the state board of education, an annual achievement profile
11 that consists of an educational dashboard that reflects the achievement for
12 each public school and local education agency on the academic and
13 educational performance indicators prescribed in subsection D of this
14 section, except that a career technical education district may not be
15 assigned a letter grade pursuant to this section. The department shall
16 provide any technical assistance needed by the state board to make final
17 adoption of the annual achievement profile.

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

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

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

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

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

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

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

16 5. **STUDENT** academic progress on assessments administered pursuant to
17 section 15-741.02.

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

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

26 F. Subject to final adoption by the state board of education, the
27 department of education shall determine the criteria for each school and
28 local education agency classification on each performance indicator of the
29 annual achievement profile prescribed in subsection D of this section using
30 a ~~researched-based~~ **RESEARCH-BASED** methodology and shall recommend to the
31 state board for final adoption the criteria for each school and local
32 education agency classification. The department shall develop the

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

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

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

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

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

25 K. The failing schools tutoring fund is established consisting of
26 monies collected pursuant to section 42-5029, subsection E and section
27 42-5029.02, subsection A, paragraph 8 as designated for this purpose. The
28 department of education shall administer the fund. The department may use
29 monies from the fund to purchase materials designed to assist students to
30 meet the Arizona academic standards and to achieve a passing score on
31 assessments adopted by the state board of education.

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

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

5 15-241.01. School accountability; alternative operation plans

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

15 1. The likelihood that continued school-based interventions will be
16 successful.

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

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

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

30 1. The likelihood that continued school-based interventions will be
31 successful.

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

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

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

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

1 approved by the state board, the alternative operation plan may authorize
2 the appointed organization or person to do any of the following:

3 1. Override any decisions of the school district governing board or
4 the school district superintendent, or both, concerning the management and
5 operation of the school district, and initiate and make decisions
6 concerning the management and operation of the school district, including
7 reopening the school as a charter school.

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

14 3. Attend any meetings of the school district governing board and
15 administrative staff.

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

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

26 E. The state board of education shall periodically review the status
27 of a school district that is operating under an alternative operation plan
28 pursuant to this section to determine whether the operations of the school
29 district should be returned to the school district governing board. Before
30 the state board makes a determination to terminate an alternative operation
31 plan, the state board or its designee shall meet with the school district
32 governing board or its designee to establish an appropriate time frame and

1 address any additional operational considerations that are necessary to
2 ensure a smooth transition of authority from the appointed organization or
3 person back to the school district governing board. When determining
4 whether to terminate an alternative operation plan, the state board shall
5 consider whether the district's schools have made significant academic
6 gains as determined by individual school achievement profiles established
7 pursuant to this section.

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

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

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

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

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

5 K. BEGINNING JANUARY 1, 2029, THE STATE BOARD OF EDUCATION SHALL
6 REQUIRE ANY SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT AND THAT IS
7 ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241 FOR THREE
8 CONSECUTIVE YEARS TO INITIATE EITHER A DISTRICT PARTNERSHIP SCHOOL OR A
9 FRESH START SCHOOL PURSUANT TO SECTION 41-5863. IF THE STATE BOARD OF
10 EDUCATION IN CONSULTATION WITH THE SCHOOL DISTRICT DETERMINES THAT A
11 DISTRICT PARTNERSHIP SCHOOL OR A FRESH START SCHOOL IS NOT PRACTICABLE, THE
12 STATE BOARD OF EDUCATION SHALL DO EITHER OF THE FOLLOWING:

13 1. BOTH:

14 (a) DIRECT THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE COUNTY
15 EDUCATIONAL SERVICE AGENCY TO COLLABORATE TO ASSIGN A SOLUTIONS TEAM UNDER
16 SECTION 15-241.02, SUBSECTION E.

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

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

24 L. FOR THE PURPOSES OF DETERMINING WHETHER A DISTRICT PARTNERSHIP
25 SCHOOL OR FRESH START SCHOOL IS PRACTICABLE PURSUANT TO SUBSECTION K OF
26 THIS SECTION, THE STATE BOARD OF EDUCATION SHALL CONSIDER ALL OF THE
27 FOLLOWING:

28 1. WHETHER THE SCHOOL IS LOCATED IN A RURAL OR REMOTE AREA.
29 2. WHETHER THERE ARE ANY ACHIEVEMENT DISTRICT SCHOOLS WILLING OR
30 AVAILABLE TO IMPLEMENT A DISTRICT PARTNERSHIP SCHOOL OR A FRESH START
31 SCHOOL PURSUANT TO SECTION 41-5863.

1 3. WHETHER THERE ARE OTHER AVAILABLE SCHOOL OPTIONS IN PROXIMITY TO
2 THE SCHOOL IDENTIFIED PURSUANT TO SUBSECTION K OF THIS SECTION AND, IF SO,
3 THEIR ABILITY TO SERVE ADDITIONAL STUDENTS.

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

6 15-241.02. School improvement plans: solutions teams:
7 withholding of state monies

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

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

1 C. If a charter school is assigned a letter grade of D pursuant to
2 section 15-241, within thirty days the school shall notify the parents of
3 the students attending the school of the classification. The notice shall
4 explain the improvement plan process and provide information regarding the
5 public meeting required by this subsection. Within ninety days after
6 receiving the classification, the charter holder shall present an
7 improvement plan to the charter sponsor at a public meeting and submit a
8 copy of the plan to the sponsor of the charter school. The charter holder
9 shall include in the improvement plan necessary components as identified by
10 the state board of education. The school is not eligible to receive monies
11 from the classroom site fund established by section 15-977 for every day
12 that an improvement plan has not been received by the sponsor of the
13 charter school within the time specified in this subsection plus an
14 additional ninety days. The charter holder shall appear before the
15 sponsoring board and explain why the improvement plan has not been
16 submitted.

17 D. If a school is assigned a letter grade of D pursuant to section
18 15-241 for a third consecutive year, the department of education shall
19 visit the school site to confirm the classification data and to review the
20 implementation of the school's improvement plan. The school shall be
21 assigned a letter grade of F unless an alternate letter grade is assigned
22 after an appeal pursuant to section 15-241, subsection J. A school that is
23 assigned a letter grade of D for fewer than three consecutive years may
24 also be assigned a letter grade of F if the state board of education
25 determines that there is no reasonable likelihood that the school will
26 achieve an average level of performance within the next two years.

27 E. The superintendent of public instruction and the county
28 educational service agency shall collaborate to assign a solutions team to
29 a school assigned a letter grade of D pursuant to section 15-241 or a
30 school assigned a letter grade of F pursuant to section 15-241 based on
31 academic need and available resources. County educational service agencies
32 may enter into agreements to provide services to schools from other

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

1 county educational service agency, at which time those monies shall be
2 returned to the school district.

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

23 G. Within sixty days after receiving notification of a school being
24 assigned a letter grade of F pursuant to section 15-241, the school
25 district governing board shall evaluate needed changes to the existing
26 school improvement plan, consider recommendations from the solutions team,
27 submit a copy of the plan to the superintendent of public instruction and
28 the county educational service agency and supervise the implementation of
29 the plan. Within thirty days after submitting the improvement plan to the
30 superintendent of public instruction and the county educational service
31 agency, the governing board shall hold a public meeting in each school that
32 has been assigned a letter grade of F and shall present the respective

1 improvement plans that have been developed for each school. The governing
2 board, within thirty days after receiving notice of the classification,
3 shall provide written notification of the classification to each residence
4 in the attendance area of the school. The notice shall explain the
5 improvement plan process and provide information regarding the public
6 meeting required by this subsection.

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

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

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

1 school failed to properly implement its improvement plan and the reasons
2 for the department's recommendation. If the school is a charter school,
3 the department shall submit a report to the sponsor of the charter school.
4 The sponsor shall make a determination pursuant to subsection N of this
5 section.

6 K. If the department recommends a public hearing **OR IF THE STATE**
7 **BOARD OF EDUCATION IN CONSULTATION WITH THE SCHOOL DISTRICT DETERMINES THAT**
8 **A DISTRICT PARTNERSHIP SCHOOL OR A FRESH START SCHOOL IS NOT PRACTICABLE**
9 **UNDER SECTION 15-241.01, SUBSECTION K AND OPTS TO HOLD A PUBLIC HEARING TO**
10 **PROVIDE AN ALTERNATIVE OPERATION PLAN FOR THE SCHOOL PURSUANT TO THIS**
11 **SUBSECTION**, the state board of education shall meet and may provide by a
12 majority vote at the public hearing for the continued operation of the
13 school as allowed by this subsection. The state board of education shall
14 determine whether governmental, nonprofit and private organizations may
15 submit applications to the state board to fully or partially manage the
16 school. The state board's determination shall include:

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

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

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

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

24 5. A suggested time frame for the alternative operation of the
25 school.

26 L. The state board of education shall periodically review the status
27 of a school that is operated by an organization other than the school
28 district governing board to determine whether the operation of the school
29 should be returned to the school district governing board. Before the
30 state board makes a determination, the state board or its designee shall
31 meet with the school district governing board or its designee to determine
32 the time frame, operational considerations and appropriate continuation of

1 existing improvements that are necessary to ensure a smooth transition of
2 authority from the other organization back to the school district governing
3 board.

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

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

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

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

31 P. At least twice each year the department of education shall
32 publish in a newspaper of general circulation in each county of this state

1 a list of schools that are assigned a letter grade of F pursuant to section
2 15-241.

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

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

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

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

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

29 41-5702. Powers and duties; staffing; reporting requirements

30 A. The division shall:

31 1. Assess school facilities and equipment deficiencies and approve
32 the distribution of grants as appropriate.

1 2. Maintain a database of school facilities to allow for the
2 administration of the new school facilities formula and the building
3 renewal grant fund. The facilities listed in the database must include all
4 buildings that are owned by school districts. The division shall ensure
5 that the database is updated on at least an annual basis. Each school
6 district shall report to the division not later than September 1 of each
7 year information as required by the division to administer the building
8 renewal grant fund and by the school facilities oversight board to compute
9 new school facilities formula distributions, including the nature and cost
10 of major repairs, renovations or physical improvements to or replacement of
11 building systems or equipment that were made in the previous year and that
12 were paid for either with local monies or monies provided from the building
13 renewal grant fund. Each school district shall report any school or school
14 buildings that have been closed, that are vacant or partially used pursuant
15 to section 15-119 and that have been leased to another entity or that
16 operate as a charter school. The division shall develop guidelines and
17 definitions for the reporting prescribed in this paragraph and ~~may~~ SHALL
18 review or audit the information, or both, to confirm the information
19 submitted by a school district. Notwithstanding any other provision of
20 this chapter, if a school district converts space that is listed in the
21 database maintained pursuant to this paragraph to space that will be used
22 for administrative purposes, the school district is responsible for any
23 costs associated with converting, maintaining and replacing that space. If
24 a building is significantly upgraded or remodeled, the division shall
25 adjust the age of that school facility in the database as follows:

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

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

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

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

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

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

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

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

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

(a) Ensure that the division and the school facilities oversight board, as applicable, notify school districts in a uniform manner of the

1 services and funding available for school districts from the board or the
2 division for facility construction, renovation and repair projects. The
3 policies and procedures shall require the division and the board to provide
4 at least one annual communication to school districts in a manner
5 prescribed by the division and shall require each school district to
6 develop and maintain a list of persons who are responsible for facilities
7 management at that school district.

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

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

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

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

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

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

- (i) The school district's use or planned use of the facility.
- (ii) A detailed description of the problem and the school district's recommended solution.
- (iii) Any completed professional study regarding the proposed project.
- (iv) Any citation or report from government entities.
- (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

1 division. The school district may directly appeal the director's
2 determination of ineligibility to the board.

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

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

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

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

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

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

27 7. On or before December 1 of each year, report electronically to
28 the joint committee on capital review the amounts necessary to fulfill the
29 requirements of section 41-5721 for the following three fiscal years. In
30 developing the amounts necessary for this report, the division shall use
31 the most recent average daily membership data available. On request from
32 the division, the department of education shall make available the most

1 recent average daily membership data for use in calculating the amounts
2 necessary to fulfill the requirements of section 41-5721 for the following
3 three fiscal years. The division shall provide copies of the report to the
4 president of the senate, the speaker of the house of representatives and
5 the governor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. On or before December 31 of each year, report to the joint legislative budget committee on all class B bond approvals by school

1 districts in that year. Each school district shall report to the board on
2 or before December 1 of each year information required by the board for the
3 report prescribed in this paragraph.

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

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

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

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

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

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

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

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

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

28 9. Shall establish procedures to ensure compliance with the notice
29 and hearing requirements prescribed in section 15-905. The notice and
30 hearing procedures adopted by the board shall include the requirement, with
31 respect to the board's consideration of any application filed after July 1,
32 2001 or after December 31 of the year in which the property becomes

1 territory in the vicinity of a military airport or ancillary military
2 facility as defined in section 28-8461 for monies to fund the construction
3 of new school facilities proposed to be located in territory in the
4 vicinity of a military airport or ancillary military facility, that the
5 military airport receive notification of the application by first class
6 mail at least thirty days before any hearing concerning the application.

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

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

13 12. Shall determine administrative completeness within one month
14 after receiving an application from a school district for monies from the
15 new school facilities fund.

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

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

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

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

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

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

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

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

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

1 guidelines, the school district shall return the building to compliance
2 with the school district's routine preventive maintenance guidelines.

3 M. The ~~board and the~~ division may temporarily transfer monies, or,
4 if applicable, **THE BOARD MAY** direct the division to transfer monies,
5 between the emergency deficiencies correction fund established by section
6 41-5721 and the new school facilities fund established by section 41-5741
7 if all of the following conditions are met:

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

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

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

15 N. After notifying each school district, and if a written objection
16 from the school district is not received by the board or the division
17 within thirty days after the notification, the board or the division may
18 access public utility company records of power, water, natural gas,
19 telephone and broadband usage to assemble consistent and accurate data on
20 utility consumption at school facilities to determine the effectiveness of
21 facility design, operation and maintenance measures intended to reduce
22 energy and water consumption and costs. Any public utility that provides
23 service to a school district in this state shall provide the data requested
24 by the board or the division pursuant to this subsection.

25 O. The division or the board shall not require a common school
26 district that provides instruction to pupils in grade nine to obtain
27 approval from the division or the board to reconfigure its school
28 facilities. A common school district that provides instruction to pupils
29 in grade nine is not entitled to additional monies from the division or the
30 board for facilities to educate pupils in grade nine.

31 P. A school district may appeal the denial of a request for monies
32 pursuant to this chapter or any other appealable agency action by the

division or the board pursuant to chapter 6, article 10 of this title. For the purposes of this subsection, "appealable agency action" has the same meaning prescribed in section 41-1092.

Sec. 6. Heading change

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

Sec. 7. Repeal

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

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

41-5841. Arizona achievement district; board; achievement district schools; qualification

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

B. THE ARIZONA ACHIEVEMENT DISTRICT BOARD IS ESTABLISHED TO GOVERN THE ARIZONA ACHIEVEMENT DISTRICT AND CONSISTS OF THE FOLLOWING MEMBERS:

1. ONE MEMBER WHO REPRESENTS A SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT THAT HAS BEEN ASSIGNED A LETTER GRADE OF A PURSUANT TO SECTION 15-241 AND WHO IS APPOINTED BY THE GOVERNOR.

2. ONE MEMBER WHO REPRESENTS A CHARTER SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF A PURSUANT TO SECTION 15-241 AND WHO IS APPOINTED BY THE GOVERNOR.

3. THREE PUBLIC MEMBERS, ONE WHO IS APPOINTED BY THE GOVERNOR, ONE WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

C. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL ESTABLISH AN APPLICATION PROCESS, APPLICATION FORMS AND SELECTION CRITERIA FOR A CHARTER

1 SCHOOL OR A SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT IN THIS STATE TO
2 QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL FOR THE PURPOSES OF ARTICLES 11
3 AND 12 OF THIS CHAPTER. A CHARTER SCHOOL OR A SCHOOL THAT IS OPERATED BY A
4 SCHOOL DISTRICT THAT MEETS ALL OF THE FOLLOWING CRITERIA IS ELIGIBLE TO
5 QUALIFY AS AN ACHIEVEMENT DISTRICT SCHOOL:

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

12 2. HAS PROVEN INSTRUCTIONAL STRATEGIES AND CURRICULA THAT
13 DEMONSTRATE HIGH ACADEMIC OUTCOMES.

14 3. HAS A VERIFIABLE ENROLLMENT DEMAND.

15 4. HAS A SOUND FINANCIAL PLAN THAT CONTEMPLATES OPERATIONAL COSTS
16 AND FUTURE ENROLLMENT GROWTH.

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

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

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

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

31 2. HAS A VERIFIABLE ENROLLMENT DEMAND.

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

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

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

8 E. THE ARIZONA ACHIEVEMENT DISTRICT BOARD SHALL MEET REGULARLY TO
9 EVALUATE ACHIEVEMENT DISTRICT SCHOOL APPLICATIONS AND SHALL EITHER APPROVE
10 OR DENY EACH APPLICATION SUBMITTED. THE BOARD SHALL REPORT ITS DECISION ON
11 EACH APPLICATION TO THE SCHOOL THAT IS OPERATED BY A SCHOOL DISTRICT OR
12 CHARTER SCHOOL WITHIN TEN BUSINESS DAYS AFTER THE BOARD'S DECISION.

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

18 G. THE ARIZONA ACHIEVEMENT DISTRICT BOARD MAY REQUEST DATA FROM THE
19 SCHOOL FACILITIES OVERSIGHT BOARD REGARDING VACANT BUILDINGS AND PARTIALLY
20 USED BUILDINGS PURSUANT TO SECTION 15-119. THE DIVISION OF SCHOOL
21 FACILITIES WITHIN THE DEPARTMENT OF ADMINISTRATION SHALL CERTIFY AND AUDIT
22 THE DATA PROVIDED FOR THE PURPOSES OF SECTION 15-119 BY SCHOOL DISTRICTS
23 REGARDING SCHOOLS THAT ARE ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO
24 SECTION 15-241. THE DIVISION OF SCHOOL FACILITIES SHALL PROVIDE ANY DATA
25 OR ASSISTANCE REGARDING POTENTIALLY AVAILABLE SPACE AT THE REQUEST OF THE
26 ARIZONA ACHIEVEMENT DISTRICT BOARD.

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

29 ARTICLE 12. EXPANDING ACCESS TO EXCELLENT SCHOOLS PROGRAM

30 41-5861. Definitions

31 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

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

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

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

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

(b) CURRENTLY HAS STUDENTS ENROLLED IN THE SCHOOL.

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

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

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

(a) IS AUTONOMOUSLY OPERATED BY AN ACHIEVEMENT DISTRICT SCHOOL AND HAS NO AFFILIATION TO A SCHOOL DISTRICT.

(b) REPLACES A SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241 AT THE SAME SCHOOL SITE, EXCEPT THAT IF THE BOARD DETERMINES THAT IT IS NOT PRACTICABLE TO OPERATE THE FRESH START SCHOOL AT THE SAME SCHOOL SITE, THE BOARD MAY AUTHORIZE THE FRESH START SCHOOL TO OPERATE AT A DIFFERENT LOCATION WITHIN THE SAME SCHOOL DISTRICT THAT OPERATES THE SCHOOL THAT HAS BEEN ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241.

(c) CURRENTLY HAS A CHARTER CONTRACT AND HAS BEEN AUTHORIZED TO EXPAND TO SERVE MORE STUDENTS OR HAS BEEN GRANTED A CHARTER CONTRACT FROM A CHARTER SPONSOR PURSUANT TO SECTION 15-183.

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

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

41-5862. Arizona expanding excellence fund

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

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

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

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

1. AN ACHIEVEMENT DISTRICT SCHOOL.

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

4 C. AN ACHIEVEMENT DISTRICT SCHOOL OR A SCHOOL DISTRICT THAT IS
5 PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL MAY APPLY TO THE ARIZONA
6 ACHIEVEMENT DISTRICT BOARD FOR NOT MORE THAN \$2,000 PER STUDENT TO SEED THE
7 OPERATIONS OF A DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL. AFTER
8 APPROVAL BY THE BOARD, THE DEPARTMENT OF ADMINISTRATION SHALL DISTRIBUTE
9 THESE MONIES TO THE ACHIEVEMENT DISTRICT SCHOOL OR THE SCHOOL DISTRICT THAT
10 IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL FROM THE ARIZONA
11 EXPANDING EXCELLENCE FUND. AN ACHIEVEMENT DISTRICT SCHOOL OR A SCHOOL
12 DISTRICT THAT IS PARTNERING WITH AN ACHIEVEMENT DISTRICT SCHOOL MAY NOT
13 RECEIVE ALLOCATIONS PURSUANT TO THIS SECTION MORE THAN ONCE FOR ANY ONE
14 DISTRICT PARTNERSHIP SCHOOL OR FRESH START SCHOOL. FOR DISTRICT
15 PARTNERSHIP SCHOOLS, ALLOCATIONS PURSUANT TO THIS SUBSECTION ARE CALCULATED
16 BASED ON THE CURRENT NUMBER OF ENROLLED STUDENTS. FOR FRESH START SCHOOLS,
17 ALLOCATIONS PURSUANT TO THIS SUBSECTION ARE CALCULATED BASED ON THE NUMBER
18 OF STUDENTS CURRENTLY ENROLLED AT THE SCHOOL THAT THE FRESH START SCHOOL IS
19 REPLACING OR, IF MULTIPLE SCHOOLS ARE BEING CONSOLIDATED, ON THE ESTIMATED
20 NUMBER OF STUDENTS SERVED. FUNDING SHALL BE ALLOCATED TO A PARTY ONLY ONCE
21 THE BOARD HAS APPROVED AN AGREEMENT FOR A DISTRICT PARTNERSHIP SCHOOL OR
22 FRESH START SCHOOL.

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

27 1. APPROACH THE ARIZONA ACHIEVEMENT DISTRICT BOARD WITH AN ALREADY
28 SELECTED ACHIEVEMENT DISTRICT SCHOOL THAT HAS DEMONSTRATED SUCCESSFUL
29 STUDENT ACHIEVEMENT OUTCOMES WITH SERVING STUDENTS WITH SIMILAR
30 DEMOGRAPHICS.

31 2. REQUEST THE ARIZONA ACHIEVEMENT DISTRICT BOARD TO SELECT AN
32 ACHIEVEMENT DISTRICT SCHOOL THAT HAS DEMONSTRATED SUCCESSFUL STUDENT

1 ACHIEVEMENT OUTCOMES WITH SERVING STUDENTS WITH SIMILAR DEMOGRAPHICS TO
2 PARTNER WITH THE SCHOOL DISTRICT.

3 E. ANY CONTRACTUAL AGREEMENT TO ESTABLISH A DISTRICT PARTNERSHIP
4 SCHOOL:

5 1. SHALL INCLUDE THE FOLLOWING PROVISIONS:

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

10 (b) THAT FUNDING ALLOCATED TO THE ACHIEVEMENT DISTRICT SCHOOL SHALL
11 BE AGREED ON AND APPROVED BY THE ARIZONA ACHIEVEMENT DISTRICT BOARD. ALL
12 FUNDING ALLOCATED TO THE ACHIEVEMENT DISTRICT SCHOOL IS CONTROLLED BY THE
13 ACHIEVEMENT DISTRICT SCHOOL OPERATOR.

14 (c) NOTWITHSTANDING ANY OTHER LAW, THAT THE DISTRICT PARTNERSHIP
15 SCHOOL MAY EMPLOY AND MANAGE ITS TEACHING STAFF AND INSTRUCTIONAL PERSONNEL
16 AS PRESCRIBED IN SECTION 15-183.

17 (d) PROVISIONS FOR THE TRANSPORTATION OF STUDENTS TO THE DISTRICT
18 PARTNERSHIP SCHOOL. IF THE ACHIEVEMENT DISTRICT SCHOOL PROVIDES STUDENTS
19 WITH TRANSPORTATION TO THE DISTRICT PARTNERSHIP SCHOOL, THE AGREEMENT MUST
20 PROVIDE THAT THE SCHOOL DISTRICT REIMBURSE THE ACHIEVEMENT DISTRICT SCHOOL
21 IN AN AMOUNT THAT EQUALS THE AMOUNT OF TRANSPORTATION FUNDING THAT THE
22 SCHOOL DISTRICT RECEIVES FOR THOSE STUDENTS. FOR THE PURPOSES OF
23 CALCULATING TRANSPORTATION FUNDING IN FUTURE YEARS AND FOR ALL OTHER
24 PURPOSES, IT SHALL BE ASSUMED THAT THE SCHOOL DISTRICT AND NOT THE
25 ACHIEVEMENT DISTRICT SCHOOL PROVIDED TRANSPORTATION TO THE DISTRICT
26 PARTNERSHIP SCHOOL.

27 (e) THAT THE TERM OF THE OPERATIONAL AGREEMENT SHALL BE FOR A LENGTH
28 OF TIME DETERMINED BY THE BOARD AND THAT THE OPERATIONAL AGREEMENT MAY NOT
29 BE CHANGED OR REVOKED BY THE SCHOOL DISTRICT, EXCEPT THAT THE ARIZONA
30 ACHIEVEMENT DISTRICT BOARD MAY MAKE CHANGES TO OR REVOKE AN EXISTING
31 AGREEMENT PURSUANT TO THREE-YEAR PERFORMANCE REVIEWS. THE BOARD SHALL MAKE
32 CHANGES TO OR REVOKE AN EXISTING AGREEMENT IF THE DISTRICT PARTNERSHIP

1 SCHOOL DOES NOT ACHIEVE AN INCREASE OF AT LEAST TWO LETTER GRADES PURSUANT
2 TO SECTION 15-241 WITHIN THREE YEARS OR IS ASSIGNED A LETTER GRADE OF D OR
3 F PURSUANT TO SECTION 15-241 IN ANY COMBINATION FOR TWO CONSECUTIVE YEARS.

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

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

1 EXCEPT THAT A FRESH START SCHOOL SHALL RESERVE SPACE FOR AND ADMIT ANY
2 STUDENT WHO RESIDES WITHIN THE PREVIOUS ATTENDANCE BOUNDARY OF THE SCHOOL
3 THAT WAS ASSIGNED A LETTER GRADE OF D OR F PURSUANT TO SECTION 15-241.

4 G. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ARIZONA ACHIEVEMENT
5 DISTRICT BOARD SHALL SUBMIT A REPORT TO THE PRESIDENT OF THE SENATE, THE
6 SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE GOVERNOR AND SHALL TRANSMIT
7 A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE REPORT SHALL INCLUDE
8 ALL OF THE FOLLOWING:

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

11 2. THE NUMBER OF DISTRICT PARTNERSHIP SCHOOLS APPROVED BY THE BOARD
12 AND THE NUMBER OF STUDENTS IMPACTED.

13 3. ANY ACADEMIC PERFORMANCE INDICATORS OF CURRENTLY OPERATING FRESH
14 START SCHOOLS OR DISTRICT PARTNERSHIP SCHOOLS.

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

17 5. ANY OTHER RELEVANT INFORMATION ABOUT THE PERFORMANCE OF THE
18 PROGRAM.

19 Sec. 10. Operation excellence school improvement program;
20 school achievement improvement fund; distributions;
21 improvement plans; request for proposals;
22 independent school improvement partners; reporting
23 requirements; delayed repeal

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

31 B. The school achievement improvement fund is established for the
32 purposes of this section. The fund consists of legislative appropriations,

1 gifts, grants, donations and any other monies transferred to the fund. The
2 department of education shall administer the fund at the direction of the
3 state board of education. Monies in the fund are continuously appropriated
4 and are exempt from the provisions of section 35-190, Arizona Revised
5 Statutes, relating to lapsing of appropriations, except that any monies
6 remaining in the fund on December 31, 2028 revert to the state general
7 fund. The department of education may accept and spend federal monies and
8 private grants, gifts, contributions and devises to assist in carrying out
9 this section.

10 C. Beginning January 1, 2023, the state board of education shall
11 identify schools that will be designated as operation excellence schools.
12 The state board shall identify a school that meets either of the following
13 criteria:

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

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

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

28 1. The school is operated by a school district or charter holder
29 that has been assigned a letter grade of C, D or F during the 2018-2019
30 fiscal year or the 2021-2022 fiscal year pursuant to section 15-241,
31 Arizona Revised Statutes, and at least sixty percent of the pupils enrolled
32 in the school meet the eligibility requirements established under the

1 national school lunch and child nutrition acts (42 United States Code
2 sections 1751 through 1793) for free or reduced-price lunches, or an
3 equivalent measure recognized for participating in the federal free and
4 reduced-price lunch program and other school programs dependent on a
5 poverty measure, including the community eligibility provision for which
6 free and reduced-price lunch data is not available. For the purposes of
7 this paragraph, only students who are eligible to be included in a school's
8 student count shall be considered in determining that school's percentage
9 of free or reduced-price lunch students or other poverty indicators.

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

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

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

30 3. Close or consolidate the failing school.

31 F. Notwithstanding any other law, a charter school that is
32 participating in the operation excellence school improvement program is not

1 immune from or otherwise protected against the charter school's sponsor
2 revoking the charter school's charter during the duration of the charter
3 school's participation in the program.

4 G. For fiscal years 2023-2024, 2024-2025 and 2025-2026, at the
5 direction of the state board of education, the department of education
6 shall distribute monies from the school achievement improvement fund to
7 school districts and charter schools that have selected to engage in school
8 improvement pursuant to subsection D or subsection E, paragraph 1 of this
9 section in the amount of \$150 per student who is enrolled in the current
10 school year. A school that is eligible to receive funding for the small
11 school weight prescribed in section 15-943, paragraph 1, Arizona Revised
12 Statutes, may not receive less than \$30,000 in total funding pursuant to
13 this subsection. Schools that have selected to participate in a district
14 partnership school or fresh start school pursuant to subsection E,
15 paragraph 2 of this section are not eligible to receive funding from the
16 school achievement improvement fund.

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

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

23 J. The department of education shall disburse funding only for that
24 fiscal year on the state board of education's approval of the school's
25 improvement plan submitted pursuant to subsection K, L or M of this
26 section. The state board of education shall direct the department of
27 education to provide payments to schools for the operation excellence
28 school improvement program that are in compliance with this section on July
29 1 of each year. If the appropriated amount is not sufficient to fully pay
30 each school, the department of education shall proportionately allocate the
31 funding per student.

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

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

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

- 17 (a) The superintendent of the school district.
- 18 (b) The school principal from the identified school.

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

22 2. Not later than March 1, 2023, the operation excellence committee
23 shall submit an improvement plan to the state board of education to improve
24 student outcomes, which may include targeted academic interventions,
25 professional development, adaptive technology or other evidence-based,
26 proven strategies to close the achievement gap. The committee shall inform
27 the state board of education which approved school improvement partner or
28 partners from the partner network list identified by the state board
29 pursuant to subsection N of this section will implement the improvement
30 plan developed under this paragraph. Notwithstanding any other law,
31 subject to the approval of the state board of education, the school
32 district governing board of a school that is submitting an improvement plan

1 pursuant to this paragraph may apply to the state board of education for a
2 waiver of identified provisions of title 15, chapter 5, Arizona Revised
3 Statutes, for the duration of the improvement plan authorized pursuant to
4 this section. The school district governing board shall identify the
5 provisions of title 15, chapter 5, Arizona Revised Statutes, that apply and
6 shall explain the reasons for exemption from those provisions of state law
7 during the duration of the improvement plan.

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

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

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

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

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

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

27 N. On or before January 1, 2023, the state board of education shall
28 identify approved independent school improvement partners to be included on
29 a partner network list through a request for proposals process. A school
30 district or the charter holder of a school that meets the requirements
31 prescribed in subsection E, paragraph 1 of this section shall select from
32 the partner network list to implement, in partnership with the school's

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

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

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

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

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

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

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

23 1. Collecting and analyzing data on student achievement.
24 2. Recommending changes to the school to improve student
25 achievement.

26 3. Monitoring the implementation of the improvement plan.
27 4. Providing implementation support for the improvement plan.

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

1 a different independent school improvement partner at the approval by the
2 state board of education.

3 R. The state board of education shall review and approve all
4 improvement plans submitted under this section within ninety days after
5 submission.

6 S. If a school district has an existing improvement plan on file
7 with the department of education under any provision of title 15, Arizona
8 Revised Statutes, or pursuant to the every student succeeds act (P.L.
9 114-95; 129 Stat. 1802), the plan submitted under this section must attempt
10 to align with or expand on the existing improvement plan.

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

15 U. On or before June 1 of each year, each school that received
16 monies pursuant to this section in the prior fiscal year shall submit a
17 report to the state board of education that describes how the improvement
18 plan developed pursuant to this section has improved student academic
19 achievement. The state board of education may request additional
20 information or data to be included in these reports. The state board of
21 education may require additional reports as needed throughout the year to
22 assess a school's progress. The state board of education shall review each
23 improvement plan annually and require any modifications. If an improvement
24 plan or report is not submitted, the state board of education shall
25 withhold monies under this section until the plan or report is submitted
26 according to this section.

27 V. On or before October 1, 2024, October 1, 2025 and October 1,
28 2026, the state board of education shall compile each report submitted
29 pursuant to subsection U of this section and provide that information to
30 the joint legislative budget committee, the governor's office of strategic
31 planning and budgeting and the chairpersons of the education committees of
32 the house of representatives and the senate, or their successor committees.

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

8 1. The schools and independent school improvement partners that
9 participated in the program.

10 2. The academic progress of students in schools participating in the
11 program.

12 3. Any other information necessary to evaluate the effectiveness of
13 the program.

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

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

23 2. Both:

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

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

30 3. If the state board of education determines that there are one or
31 more nearby public schools that are higher achieving than the school and
32 that have adequate capacity to serve the students that would be displaced

1 by the school closure or consolidation, require the school district to
2 close or consolidate the school.

3 Y. For a school operated by a school district that does not achieve
4 a letter grade of at least C pursuant to section 15-241, Arizona Revised
5 Statutes, as amended by this act, in fiscal year 2025-2026 but that has
6 demonstrated significant improvement as determined by the state board of
7 education, the state board of education may provide the school not more
8 than two additional school years to improve the school's letter grade to a
9 letter grade of C or better pursuant to section 15-241, Arizona Revised
10 Statutes, as amended by this act. If the school does not achieve a letter
11 grade of at least C pursuant to section 15-241, Arizona Revised Statutes,
12 as amended by this act, after a period of not more than two additional
13 school years, the school shall take any of the actions prescribed in
14 subsection X of this section.

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

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

19 Sec. 11. Existing achievement district schools: continued status

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

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

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

30 Sec. 12. Exemption from rulemaking

31 Notwithstanding any other law, for the purposes of this title 41,
32 chapter 56, article 12, Arizona Revised Statutes, as added by this act, the

1 Arizona achievement district governing board is exempt from the rulemaking
2 requirements of title 41, chapter 6, Arizona Revised Statutes, for one year
3 after the effective date of this act.

4 Sec. 13. Transfer of monies; FTEs; department of education to
5 state board of education; operation excellence
6 school improvement program

7 A. Notwithstanding any other law, in each of fiscal years 2022-2023,
8 2023-2024 and 2024-2025, the sum of \$1,000,000 is transferred from the
9 unexpended and unencumbered appropriated monies of the department of
10 education to the state board of education for the purposes of administering
11 the operation excellence school improvement program established by this
12 act.

13 B. Notwithstanding any other law, in each of fiscal years 2022-2023,
14 2023-2024 and 2024-2025, seven full-time equivalent positions are
15 transferred from the department of education to the state board of
16 education for the purposes of administering the operation excellence school
17 improvement program established by this act.

18 Sec. 14. Retroactivity

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

20 Amend title to conform

RICK GRAY

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