

House Engrossed

school districts; board members; superintendent

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2610

AN ACT

AMENDING SECTION 15-103, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-302.01; AMENDING SECTIONS 15-341 AND 38-201, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-103, Arizona Revised Statutes, is amended to
3 read:

4 15-103. School districts; financial mismanagement;
5 intervention; receivership; definitions

6 A. The state board of education shall review allegations of school
7 district insolvency and gross mismanagement. The state board shall give
8 the school district an opportunity to respond to these allegations at a
9 public meeting. If the state board determines that the school district is
10 insolvent or has grossly mismanaged its finances, the state board shall
11 appoint a receiver or fiscal crisis team for that school district.

12 B. The state board shall find a school district insolvent if it
13 finds one or more of the following:

14 1. The school district is unable to pay debts as they fall due or
15 in the usual course of business.

16 2. The salaries of any teachers or other employees have remained
17 unpaid for forty-five days.

18 3. The tuition due another school district or other state
19 institution remains unpaid on or after January 1 of the year following the
20 school year it was due and there is no dispute regarding the validity or
21 amount of the claim.

22 4. The school district has defaulted in payment of its bonds or
23 interest on bonds or in payment of rentals due any state or federal
24 authority or private business for a period of sixty calendar days and no
25 action has been initiated within that period of time to make payment.

26 5. The school district has contracted for any loan not authorized
27 by law.

28 6. The school district has accumulated and has operated with a
29 deficit equal to five ~~per cent~~ PERCENT or more of the school district's
30 revenue control limit for any fiscal year within the past two fiscal years
31 or the conditions prescribed in section 15-107 have occurred.

32 7. The school district's warrants have not been honored for payment
33 by the school district's servicing bank or by the county treasurer and the
34 warrants have remained unpaid for a period of more than sixty calendar
35 days.

36 C. A school district shall not be deemed to be insolvent pursuant
37 to subsection B of this section if the circumstances are the result of the
38 failure of the state to make any payments of monies due the school
39 district at the time payment is due.

40 D. The state board of education ~~shall have~~ HAS jurisdiction over
41 all petitions requesting that a school district be placed in receivership
42 and a receiver be appointed or that a fiscal crisis team be appointed
43 because of the school district's alleged insolvency or gross
44 mismanagement. The state board ~~shall have~~ HAS the burden of demonstrating

1 by a preponderance of the evidence that the school district is insolvent
2 or is engaged in gross mismanagement.

3 E. If the state board of education finds that the school district
4 is insolvent or has engaged in gross mismanagement, the state board may
5 place the school district in receivership and appoint a receiver
6 recommended by the state board. The state board shall develop and adopt a
7 list of qualified receivers to be appointed by the board.

8 F. On appointment, the receiver SHALL PERFORM THE ACTIONS
9 PRESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION AND may perform any of the
10 actions prescribed in ~~paragraphs 1 through 11~~ PARAGRAPH 2 of this
11 subsection and shall begin a full review and investigation of the school
12 district's financial affairs and submit to the state board of education a
13 detailed report listing the findings of that investigation that ~~shall~~
14 ~~include~~ INCLUDES a financial improvement plan and budget that details how
15 the school district will eliminate any continued gross financial
16 mismanagement and achieve financial solvency. The plan shall include a
17 proposed timeline for achieving financial solvency. The receiver shall
18 submit the report within one hundred twenty days after the receiver's
19 appointment. The financial improvement plan approved by the state board
20 of education:

21 1. SHALL REQUIRE THE RECEIVER TO TERMINATE FOR CAUSE THE SCHOOL
22 DISTRICT SUPERINTENDENT. THE RECEIVER MAY NOT PROVIDE A SEVERANCE OR
23 BUYOUT PACKAGE TO THE SCHOOL DISTRICT SUPERINTENDENT IF THE STATE BOARD OF
24 EDUCATION PLACES THE SCHOOL DISTRICT IN RECEIVERSHIP. A SUPERINTENDENT
25 WHO IS TERMINATED PURSUANT TO THIS PARAGRAPH MAY APPEAL THE TERMINATION TO
26 THE STATE BOARD OF EDUCATION IF THE SUPERINTENDENT FILES AN APPEAL WITH
27 THE STATE BOARD WITHIN THIRTY DAYS AFTER RECEIVING NOTICE OF THE
28 TERMINATION. IF THE SUPERINTENDENT DOES NOT PREVAIL IN AN APPEAL PURSUANT
29 TO THIS PARAGRAPH, THE SUPERINTENDENT SHALL SURRENDER ANY CERTIFICATES
30 ISSUED BY THE DEPARTMENT OF EDUCATION.

31 2. May authorize the receiver to do any of the following:

32 ~~1.~~ (a) Override any decisions of the school district's governing
33 board or the school district superintendent, or both, concerning the
34 management and operation of the school district, and initiate and make
35 decisions concerning the management and operation of the school district.

36 ~~2.~~ (b) Attend any and all meetings of the school district's
37 governing board and administrative staff.

38 ~~3.~~ (c) Supervise the day-to-day activities of the school
39 district's staff, including reassigning the duties and responsibilities of
40 personnel in a manner that, in the determination of the receiver, best
41 suits the needs of the school district.

42 ~~4.~~ (d) Place on extended leave, suspend or terminate for cause the
43 school district's ~~superintendent or~~ chief financial officer, ~~or both~~. The
44 receiver is not authorized to provide a severance or buyout package to the
45 school district's ~~superintendent or~~ chief financial officer if the school

1 district is placed ~~into~~ IN receivership by the state board of education.
2 A ~~person~~ CHIEF FINANCIAL OFFICER WHO IS terminated pursuant to this
3 ~~paragraph~~ SUBDIVISION may appeal the ~~receiver's decision~~ TERMINATION to
4 the state board of education if an appeal is filed with the state board
5 within thirty days ~~of~~ AFTER receiving notice of the termination.

6 ~~5.~~ (e) Authorize pupils to transfer from schools operated by the
7 school district to schools operated by another school district that is not
8 currently in receivership.

9 ~~6.~~ (f) Appoint a chief educational officer who shall possess the
10 powers and duties of a school district superintendent. A chief
11 educational officer who is appointed pursuant to this ~~paragraph~~
12 SUBDIVISION shall hold a valid administrative certificate.

13 ~~7.~~ (g) Appoint a chief fiscal officer who shall possess the powers
14 and duties of the school district's chief school business official and any
15 other duties regarding budgeting, accounting and other financial matters
16 that are assigned to the school district by law.

17 ~~8.~~ (h) Appoint a competent independent public accountant to audit
18 the accounts of the school district.

19 ~~9.~~ (i) Reorganize the school district's financial accounts,
20 management and budgetary systems to improve financial responsibility and
21 reduce financial inefficiency within the district.

22 ~~10.~~ (j) Establish school district fiscal guidelines and a system of
23 internal controls, including internal administrative controls and internal
24 accounting controls, with provisions for internal audits.

25 ~~11.~~ (k) Cancel or renegotiate any contract, other than contracts of
26 certificated teachers who have been employed by the school district in the
27 capacity of a certificated teacher for more than one year immediately
28 before the date the receiver was appointed, to which the governing board
29 or the school district is a party if the cancellation or renegotiation of
30 the contract will produce needed economies in the operation of the
31 district's schools. The receiver may refuse to reemploy any certificated
32 teacher who has not been employed by the school district for more than the
33 major portion of three consecutive school years ~~as provided in section~~
34 ~~15-536~~.

35 G. The receiver's power, authority and duties ~~shall be~~ ARE
36 effective on the date of the receiver's appointment by the state board of
37 education. The receiver shall perform the receiver's duties according to
38 the instructions of the state board of education order and according to
39 law. The receiver shall promptly report any violations of law, including
40 a violation of the uniform system of financial records, to the state board
41 of education.

42 H. On review and approval of the state board of education, the
43 receiver shall take all necessary steps to implement the financial
44 improvement plan and budget ~~utilizing~~ USING those powers identified in the
45 plan as prescribed in subsection F of this section.

1 I. The salary and benefits of the receiver and any officers or
2 employees appointed by the receiver shall be paid by the school district.
3 The state board of education shall determine the salary for the receiver
4 and any officers or employees appointed by the receiver based on amounts
5 recommended by the state board.

6 J. The state board of education shall remove the school district
7 from receivership and dismiss the receiver and dismiss any officer or
8 employee appointed by the receiver thirty days after all of the following
9 have occurred:

10 1. The auditor general certifies that the school district has been
11 financially solvent for one fiscal year.

12 2. The auditor general certifies that the school district's
13 financial records are in compliance with the uniform system of financial
14 records and generally accepted accounting principles.

15 3. The receiver certifies that the school district is no longer
16 engaged in gross mismanagement.

17 4. The state board of education has determined that the school
18 district is able to pay its debts as those debts become due.

19 K. Beginning ninety days after the submission of the first report
20 prescribed in subsection F of this section, the receiver shall submit a
21 quarterly progress report to the state board of education. The state
22 board of education shall review the expenses and costs of the receiver at
23 least once each calendar quarter.

24 L. The state board of education shall formally review the
25 receiver's progress every six months. If, based on the quarterly progress
26 reports, the state board determines that the receiver's progress is
27 insufficient, the state board may remove the current receiver and appoint
28 another receiver for the school district.

29 M. The state board of education may dismiss the receiver for cause
30 or on a majority vote of no confidence in the receiver of the state board.

31 N. The school district shall indemnify the receiver and any officer
32 or employee appointed by the receiver who is made or threatened to be made
33 a party to any litigation by reason of their status under this section if
34 the receiver, officer or employee acted in good faith and in a manner that
35 the receiver, officer or employee reasonably believed to be consistent
36 with the best interest of the school district and if the receiver, officer
37 or employee had no reasonable cause to believe that the conduct was
38 unlawful.

39 O. During the period of time that the school district is in
40 receivership, ~~no~~ A member, officer, employee or agent of the school
41 district may NOT enter into any contract or incur any liability on behalf
42 of the school district for any purpose if the amount of the contract or
43 liability exceeds the receiver's authorized financial plan and budget for
44 the school district. The receiver may discipline, including, if warranted,
45 imposing a suspension from duty without pay, removal from office or

1 termination of, any school district employee or officer who violates this
2 subsection.

3 P. This section does not create a private cause of action against
4 the school district or its officers, directors, board members or
5 employees.

6 Q. The assumption of control of the school district by the receiver
7 shall ~~in no way~~ NOT interfere with the election ~~or reelection~~ of school
8 district governing board members, EXCEPT AS REQUIRED BY SECTION 15-302.01.

9 R. This section shall not interfere with a school district's
10 ability to declare bankruptcy under federal law.

11 S. The state board of education shall continue to monitor and offer
12 technical assistance to a school district for two years after its removal
13 from receivership.

14 T. All information received and records or reports kept by the
15 state board of education during an investigation resulting from a
16 complaint against a receiver appointed pursuant to this section or section
17 15-107 are confidential and not a public record.

18 U. The state board of education or the department of education
19 shall immediately notify the auditor general if the board or department
20 has knowledge that a superintendent or chief financial officer who was
21 employed at the school district at the time the school district was placed
22 in receivership is currently employed in another school district or
23 charter school in this state.

24 V. Notwithstanding any other law, a fiscal crisis team appointed
25 pursuant to this section ~~shall be~~ IS subject to section 15-107,
26 subsections E through H and a school district that is assigned a level two
27 fiscal crisis team pursuant to this section ~~shall be~~ IS subject to section
28 15-107, subsections J, K and L.

29 W. For the purposes of this section:

30 1. "Fiscal crisis team" means either:

31 (a) A level one fiscal crisis team with the duties and authority
32 prescribed in section 15-107, subsection D, paragraph 2.

33 (b) A level two fiscal crisis team with the duties and authority
34 prescribed in section 15-107, subsection D, paragraph 3.

35 2. "Gross mismanagement" means that the school district's officers
36 or employees committed or engaged in gross incompetence or systemic and
37 egregious mismanagement of the school district's finances or financial
38 records.

39 3. "Notice" means written notice personally served or delivered by
40 certified mail, return receipt requested.

41 4. "Receiver" means an individual WHO IS appointed by the state
42 board of education from the persons recommended by the state board for the
43 purpose of managing a school district placed in receivership by the state
44 board of education.

1 5. "Receivership" means the state or condition of being under the
2 control of the receiver appointed by the state board of education.

3 6. "Superintendent" means the chief executive officer of the school
4 district.

5 Sec. 2. Title 15, chapter 3, article 1, Arizona Revised Statutes,
6 is amended by adding section 15-302.01, to read:

7 15-302.01. School district governing board members;
8 resignation; appointment; election; exceptions

9 A. NOTWITHSTANDING ANY OTHER LAW, IF THE STATE BOARD OF EDUCATION
10 PLACES A SCHOOL DISTRICT IN RECEIVERSHIP PURSUANT TO SECTION 15-103, EACH
11 MEMBER OF THE SCHOOL DISTRICT GOVERNING BOARD SHALL IMMEDIATELY RESIGN AND
12 THE COUNTY SCHOOL SUPERINTENDENT OF THE COUNTY IN WHICH THE SCHOOL
13 DISTRICT IS LOCATED SHALL APPOINT GOVERNING BOARD MEMBERS TO TEMPORARILY
14 FILL THE VACANCIES PURSUANT TO SECTION 15-302, EXCEPT THAT:

15 1. THE COUNTY SCHOOL SUPERINTENDENT MAY NOT ACCEPT NAMES FROM THE
16 SCHOOL DISTRICT GOVERNING BOARD FOR CONSIDERATION.

17 2. THE TERM OF AN APPOINTMENT PURSUANT TO THIS SUBSECTION SHALL BE
18 UNTIL A SPECIAL ELECTION IS HELD TO ELECT NEW GOVERNING BOARD MEMBERS
19 PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.

20 3. AS SOON AS PRACTICABLE, THE COUNTY SCHOOL SUPERINTENDENT SHALL
21 CALL A SPECIAL ELECTION TO REPLACE ALL GOVERNING BOARD MEMBERS WHO ARE
22 TEMPORARILY APPOINTED PURSUANT TO PARAGRAPH 2 OF THIS SUBSECTION. THE
23 COUNTY SCHOOL SUPERINTENDENT SHALL ASSIGN BY LOT THE NEW GOVERNING BOARD
24 MEMBERS WHO ARE ELECTED PURSUANT TO THIS PARAGRAPH TO INITIAL TERMS OF TWO
25 AND FOUR YEARS IN OFFICE. THEREAFTER, THE TERM OF OFFICE FOR EACH MEMBER
26 IS FOUR YEARS FROM JANUARY 1 NEXT FOLLOWING THE MEMBER'S ELECTION.

27 4. IF THE SCHOOL DISTRICT IS LOCATED IN TWO OR MORE COUNTIES, EACH
28 VACANCY SHALL BE FILLED BY THE COUNTY SCHOOL SUPERINTENDENT OF THE COUNTY
29 IN WHICH THE FORMER GOVERNING BOARD MEMBER RESIDED AT THE TIME OF REMOVAL.

30 B. A SCHOOL DISTRICT GOVERNING BOARD MEMBER IS NOT SUBJECT TO THE
31 RESIGNATION REQUIREMENT PRESCRIBED BY SUBSECTION A OF THIS SECTION IF
32 EITHER:

33 1. THE GOVERNING BOARD MEMBER SUBMITTED A WRITTEN COMPLAINT
34 RELATING TO THE SCHOOL DISTRICT'S FINANCIAL PRACTICES TO THE STATE BOARD
35 OF EDUCATION OR THE DEPARTMENT OF EDUCATION BEFORE THE DATE ON WHICH THE
36 DEPARTMENT OF EDUCATION RECOMMENDS THAT THE STATE BOARD OF EDUCATION PLACE
37 THE SCHOOL DISTRICT IN RECEIVERSHIP.

38 2. THE INDIVIDUAL WAS ELECTED OR APPOINTED TO THE OFFICE OF SCHOOL
39 DISTRICT GOVERNING BOARD MEMBER NOT MORE THAN SIX MONTHS BEFORE THE DATE
40 ON WHICH THE DEPARTMENT OF EDUCATION RECOMMENDS THAT THE STATE BOARD OF
41 EDUCATION PLACE THE SCHOOL DISTRICT IN RECEIVERSHIP.

1 Sec. 3. Section 15-341, Arizona Revised Statutes, is amended to
2 read:

3 15-341. General powers and duties; immunity; delegation

4 A. ~~The~~ EACH SCHOOL DISTRICT governing board shall:

5 1. Prescribe and enforce policies and procedures to govern the
6 schools that are not inconsistent with the laws or rules prescribed by the
7 state board of education.

8 2. Exclude from schools all books, publications, papers or
9 audiovisual materials of a sectarian, partisan or denominational
10 character. This paragraph does not prohibit the elective course allowed
11 by section 15-717.01.

12 3. Manage and control the school property within its district,
13 except that a district may enter into a partnership with an entity,
14 including a charter school, another school district or a military base, to
15 operate a school or offer educational services in a district building,
16 including at a vacant or partially used building, or in any building on
17 the entity's property pursuant to a written agreement between the parties.

18 4. Acquire school furniture, apparatus, equipment, library books
19 and supplies for the schools to use.

20 5. Prescribe the curricula and criteria for the promotion and
21 graduation of pupils as provided in sections 15-701 and 15-701.01.

22 6. Furnish, repair and insure, at full insurable value, the school
23 property of the district.

24 7. Construct school buildings on approval by a vote of the district
25 electors.

26 8. In the name of the district, convey property belonging to the
27 district and sold by the board.

28 9. Purchase school sites when authorized by a vote of the district
29 at an election conducted as nearly as practicable in the same manner as
30 the election provided in section 15-481 and held on a date prescribed in
31 section 15-491, subsection E, but such authorization shall not necessarily
32 specify the site to be purchased and such authorization shall not be
33 necessary to exchange unimproved property as provided in section 15-342,
34 paragraph 23.

35 10. Construct, improve and furnish buildings used for school
36 purposes when such buildings or premises are leased from the national park
37 service.

38 11. Purchase school sites or construct, improve and furnish school
39 buildings from the proceeds of the sale of school property only on
40 approval by a vote of the district electors.

41 12. Hold pupils to strict account for disorderly conduct on school
42 property.

43 13. Discipline students for disorderly conduct on the way to and
44 from school.

1 14. Except as provided in section 15-1224, deposit all monies
2 received by the district as gifts, grants and devises with the county
3 treasurer who shall credit the deposits as designated in the uniform
4 system of financial records. If not inconsistent with the terms of the
5 gifts, grants and devises given, any balance remaining after expenditures
6 for the intended purpose of the monies have been made shall be used to
7 reduce school district taxes for the budget year, except that in the case
8 of accommodation schools the county treasurer shall carry the balance
9 forward for use by the county school superintendent for accommodation
10 schools for the budget year.

11 15. Provide that, if a parent or legal guardian chooses not to
12 accept a decision of the teacher as provided in paragraph 42 of this
13 subsection, the parent or legal guardian may request in writing that the
14 governing board review the teacher's decision. This paragraph does not
15 release school districts from any liability relating to a child's
16 promotion or retention.

17 16. Provide for adequate supervision over pupils in instructional
18 and noninstructional activities by certificated or noncertificated
19 personnel.

20 17. Use school monies received from the state and county school
21 apportionment exclusively to pay salaries of teachers and other employees
22 and contingent expenses of the district.

23 18. Annually report to the county school superintendent on or
24 before October 1 in the manner and form and on the blanks prescribed by
25 the superintendent of public instruction or county school superintendent.
26 The board shall also report directly to the county school superintendent
27 or the superintendent of public instruction whenever required.

28 19. Deposit all monies received by school districts other than
29 student activities monies or monies from auxiliary operations as provided
30 in sections 15-1125 and 15-1126 with the county treasurer to the credit of
31 the school district except as provided in paragraph 20 of this subsection
32 and sections 15-1223 and 15-1224, and the board shall spend the monies as
33 provided by law for other school funds.

34 20. Establish bank accounts in which the board during a month may
35 deposit miscellaneous monies received directly by the district. The board
36 shall remit monies deposited in the bank accounts at least monthly to the
37 county treasurer for deposit as provided in paragraph 19 of this
38 subsection and in accordance with the uniform system of financial records.

39 21. Prescribe and enforce policies and procedures for disciplinary
40 action against a teacher who engages in conduct that is a violation of the
41 policies of the governing board but that is not cause for dismissal of the
42 teacher or for revocation of the certificate of the teacher. Disciplinary
43 action may include suspension without pay for a period of time not to
44 exceed ten school days. Disciplinary action shall not include suspension
45 with pay or suspension without pay for a period of time longer than ten

1 school days. The procedures shall include notice, hearing and appeal
2 provisions for violations that are cause for disciplinary action. The
3 governing board may designate a person or persons to act on behalf of the
4 board on these matters.

5 22. Prescribe and enforce policies and procedures for disciplinary
6 action against an administrator who engages in conduct that is a violation
7 of the policies of the governing board regarding duties of administrators
8 but that is not cause for dismissal of the administrator or for revocation
9 of the certificate of the administrator. Disciplinary action may include
10 suspension without pay for a period of time not to exceed ten school days.
11 Disciplinary action shall not include suspension with pay or suspension
12 without pay for a period of time longer than ten school days. The
13 procedures shall include notice, hearing and appeal provisions for
14 violations that are cause for disciplinary action. The governing board
15 may designate a person or persons to act on behalf of the board on these
16 matters. For violations that are cause for dismissal, the provisions of
17 notice, hearing and appeal in chapter 5, article 3 of this title apply.
18 The filing of a timely request for a hearing suspends the imposition of a
19 suspension without pay or a dismissal pending completion of the hearing.

20 23. Notwithstanding sections 13-3108 and 13-3120, prescribe and
21 enforce policies and procedures that prohibit a person from carrying or
22 possessing a weapon on school grounds unless the person is a peace officer
23 or has obtained specific authorization from the school administrator.

24 24. Prescribe and enforce policies and procedures relating to the
25 health and safety of all pupils participating in district-sponsored
26 practice sessions or games or other interscholastic athletic activities,
27 including:

28 (a) The provision of water.

29 (b) Guidelines, information and forms, developed in consultation
30 with a statewide private entity that supervises interscholastic
31 activities, to inform and educate coaches, pupils and parents of the
32 dangers of concussions and head injuries and the risks of continued
33 participation in athletic activity after a concussion. The policies and
34 procedures shall require that, before a pupil participates in an athletic
35 activity, the pupil and the pupil's parent sign an information form at
36 least once each school year that states that the parent is aware of the
37 nature and risk of concussion. The policies and procedures shall require
38 that a pupil who is suspected of sustaining a concussion in a practice
39 session, game or other interscholastic athletic activity be immediately
40 removed from the athletic activity and that the pupil's parent or guardian
41 be notified. A coach from the pupil's team or an official or a licensed
42 health care provider may remove a pupil from play. A team parent may also
43 remove the parent's own child from play. A pupil may return to play on
44 the same day if a health care provider rules out a suspected concussion at
45 the time the pupil is removed from play. On a subsequent day, the pupil

1 may return to play if the pupil has been evaluated by and received written
 2 clearance to resume participation in athletic activity from a health care
 3 provider who has been trained in evaluating and managing concussions and
 4 head injuries. A health care provider who is a volunteer and who provides
 5 clearance to participate in athletic activity on the day of the suspected
 6 injury or on a subsequent day is immune from civil liability with respect
 7 to all decisions made and actions taken that are based on good faith
 8 implementation of the requirements of this subdivision, except in cases of
 9 gross negligence or wanton or wilful neglect. A school district, school
 10 district employee, team coach, official or team volunteer or a parent or
 11 guardian of a team member is not subject to civil liability for any act,
 12 omission or policy undertaken in good faith to comply with the
 13 requirements of this subdivision or for a decision made or an action taken
 14 by a health care provider. A group or organization that uses property or
 15 facilities owned or operated by a school district for athletic activities
 16 shall comply with the requirements of this subdivision. A school district
 17 and its employees and volunteers are not subject to civil liability for
 18 any other person or organization's failure or alleged failure to comply
 19 with the requirements of this subdivision. This subdivision does not
 20 apply to teams that are based in another state and that participate in an
 21 athletic activity in this state. For the purposes of this subdivision,
 22 athletic activity does not include dance, rhythmic gymnastics,
 23 competitions or exhibitions of academic skills or knowledge or other
 24 similar forms of physical noncontact activities, civic activities or
 25 academic activities, whether engaged in for the purposes of competition or
 26 recreation. For the purposes of this subdivision, "health care provider"
 27 means a physician who is licensed pursuant to title 32, chapter 13, 14 or
 28 17, an athletic trainer who is licensed pursuant to title 32, chapter 41,
 29 a nurse practitioner who is licensed pursuant to title 32, chapter 15, and
 30 a physician assistant who is licensed pursuant to title 32, chapter 25.

31 (c) Guidelines, information and forms that are developed in
 32 consultation with a statewide private entity that supervises
 33 interscholastic activities to inform and educate coaches, pupils and
 34 parents of the dangers of heat-related illnesses, sudden cardiac death and
 35 prescription opioid use. Before a pupil participates in any
 36 district-sponsored practice session or game or other interscholastic
 37 athletic activity, the pupil and the pupil's parent must be provided with
 38 information at least once each school year on the risks of heat-related
 39 illnesses, sudden cardiac death and prescription opioid addiction.

40 25. Establish an assessment, data gathering and reporting system as
 41 prescribed in chapter 7, article 3 of this title.

42 26. Provide special education programs and related services
 43 pursuant to section 15-764, subsection A to all children with disabilities
 44 as defined in section 15-761.

1 27. Administer competency tests prescribed by the state board of
2 education for the graduation of pupils from high school.

3 28. Ensure that insurance coverage is secured for all construction
4 projects for purposes of general liability, property damage and workers'
5 compensation and secure performance and payment bonds for all construction
6 projects.

7 29. Collect and maintain information about each current and former
8 teacher's educational and teaching background and experience in a
9 particular academic content subject area. A school district shall either
10 post the information on the school district's website or make the
11 information available for inspection on request of parents and guardians
12 of pupils enrolled at a school. This paragraph does not require any
13 school to release personally identifiable information in relation to any
14 teacher, including the teacher's address, salary, social security number
15 or telephone number.

16 30. Report to local law enforcement agencies any suspected crime
17 against a person or property that is a serious offense as defined in
18 section 13-706 or that involves a deadly weapon or dangerous instrument or
19 serious physical injury and any conduct that poses a threat of death or
20 serious physical injury to employees, students or anyone on the property
21 of the school. This paragraph does not limit or preclude the reporting by
22 a school district or an employee of a school district of suspected crimes
23 other than those required to be reported by this paragraph. For the
24 purposes of this paragraph, "dangerous instrument", "deadly weapon" and
25 "serious physical injury" have the same meanings prescribed in section
26 13-105.

27 31. In conjunction with local law enforcement agencies and
28 emergency response agencies, develop an emergency response plan for each
29 school in the school district in accordance with minimum standards
30 developed jointly by the department of education and the division of
31 emergency management within the department of emergency and military
32 affairs. Any emergency response plan developed pursuant to this paragraph
33 must address how the school and emergency responders will communicate with
34 and provide assistance to students with disabilities.

35 32. Provide written notice to the parents or guardians of all
36 students enrolled in the school district at least ten days before a public
37 meeting to discuss closing a school within the school district. The
38 notice shall include the reasons for the proposed closure and the time and
39 place of the meeting. The governing board shall fix a time for a public
40 meeting on the proposed closure not less than ten days before voting in a
41 public meeting to close the school. The school district governing board
42 shall give notice of the time and place of the meeting. At the time and
43 place designated in the notice, the school district governing board shall
44 hear reasons for or against closing the school. The school district
45 governing board is exempt from this paragraph if the governing board

1 determines that the school shall be closed because it poses a danger to
2 the health or safety of the pupils or employees of the school. A
3 governing board may consult with the division of school facilities within
4 the department of administration for technical assistance and for
5 information on the impact of closing a school. The information provided
6 from the division of school facilities within the department of
7 administration shall not require the governing board to take or not take
8 any action.

9 33. Incorporate instruction on Native American history into
10 appropriate existing curricula.

11 34. Prescribe and enforce policies and procedures:

12 (a) Allowing pupils who have been diagnosed with anaphylaxis by a
13 health care provider licensed pursuant to title 32, chapter 13, 14, 17 or
14 25 or by a registered nurse practitioner licensed and certified pursuant
15 to title 32, chapter 15 to carry and self-administer emergency
16 medications, including epinephrine auto-injectors, while at school and at
17 school-sponsored activities. The pupil's name on the prescription label
18 on the medication container or on the medication device and annual written
19 documentation from the pupil's parent or guardian to the school that
20 authorizes possession and self-administration is sufficient proof that the
21 pupil is entitled to possess and self-administer the medication. The
22 policies shall require a pupil who uses an epinephrine auto-injector while
23 at school and at school-sponsored activities to notify the nurse or the
24 designated school staff person of the use of the medication as soon as
25 practicable. A school district and its employees are immune from civil
26 liability with respect to all decisions made and actions taken that are
27 based on good faith implementation of the requirements of this
28 subdivision, except in cases of wanton or wilful neglect.

29 (b) For the emergency administration of epinephrine auto-injectors
30 by a trained employee of a school district pursuant to section 15-157.

31 35. Allow the possession and self-administration of prescription
32 medication for breathing disorders in handheld inhaler devices by pupils
33 who have been prescribed that medication by a health care professional
34 licensed pursuant to title 32. The pupil's name on the prescription label
35 on the medication container or on the handheld inhaler device and annual
36 written documentation from the pupil's parent or guardian to the school
37 that authorizes possession and self-administration is sufficient proof
38 that the pupil is entitled to possess and self-administer the medication.
39 A school district and its employees are immune from civil liability with
40 respect to all decisions made and actions taken that are based on a good
41 faith implementation of the requirements of this paragraph.

42 36. Prescribe and enforce policies and procedures to prohibit
43 pupils from harassing, intimidating and bullying other pupils on school
44 grounds, on school property, on school buses, at school bus stops, at
45 school-sponsored events and activities and through the use of electronic

1 technology or electronic communication on school computers, networks,
2 forums and mailing lists that include the following components:

3 (a) A procedure for pupils, parents and school district employees
4 to confidentially report to school officials incidents of harassment,
5 intimidation or bullying. The school shall make available written forms
6 designed to provide a full and detailed description of the incident and
7 any other relevant information about the incident.

8 (b) A requirement that school district employees report in writing
9 suspected incidents of harassment, intimidation or bullying to the
10 appropriate school official and a description of appropriate disciplinary
11 procedures for employees who fail to report suspected incidents that are
12 known to the employee.

13 (c) A requirement that, at the beginning of each school year,
14 school officials provide all pupils with a written copy of the rights,
15 protections and support services available to a pupil who is an alleged
16 victim of an incident reported pursuant to this paragraph.

17 (d) If an incident is reported pursuant to this paragraph, a
18 requirement that school officials provide a pupil who is an alleged victim
19 of the incident with a written copy of the rights, protections and support
20 services available to that pupil.

21 (e) A formal process for documenting reported incidents of
22 harassment, intimidation or bullying and providing for the
23 confidentiality, maintenance and disposition of this documentation.
24 School districts shall maintain documentation of all incidents reported
25 pursuant to this paragraph for at least six years. The school shall not
26 use that documentation to impose disciplinary action unless the
27 appropriate school official has investigated and determined that the
28 reported incidents of harassment, intimidation or bullying occurred. If a
29 school provides documentation of reported incidents to persons other than
30 school officials or law enforcement, all individually identifiable
31 information shall be redacted.

32 (f) A formal process for the appropriate school officials to
33 investigate suspected incidents of harassment, intimidation or bullying,
34 including procedures for notifying the alleged victim and the alleged
35 victim's parent or guardian when a school official or employee becomes
36 aware of the suspected incident of harassment, intimidation or bullying.

37 (g) Disciplinary procedures for pupils who have admitted or been
38 found to have committed incidents of harassment, intimidation or bullying.

39 (h) A procedure that sets forth consequences for submitting false
40 reports of incidents of harassment, intimidation or bullying.

41 (i) Procedures designed to protect the health and safety of pupils
42 who are physically harmed as the result of incidents of harassment,
43 intimidation and bullying, including, if appropriate, procedures to
44 contact emergency medical services or law enforcement agencies, or both.

45 (j) Definitions of harassment, intimidation and bullying.

1 37. Prescribe and enforce policies and procedures regarding
2 changing or adopting attendance boundaries that include the following
3 components:

4 (a) A procedure for holding public meetings to discuss attendance
5 boundary changes or adoptions that allows public comments.

6 (b) A procedure to notify the parents or guardians of the students
7 affected, including assurance that, if that school remains open as part of
8 the boundary change and capacity is available, students assigned to a new
9 attendance area may stay enrolled in their current school.

10 (c) A procedure to notify the residents of the households affected
11 by the attendance boundary changes.

12 (d) A process for placing public meeting notices and proposed maps
13 on the school district's website for public review, if the school district
14 maintains a website.

15 (e) A formal process for presenting the attendance boundaries of
16 the affected area in public meetings that allows public comments.

17 (f) A formal process for notifying the residents and parents or
18 guardians of the affected area as to the decision of the governing board
19 on the school district's website, if the school district maintains a
20 website.

21 (g) A formal process for updating attendance boundaries on the
22 school district's website within ninety days after an adopted boundary
23 change. The school district shall send a direct link to the school
24 district's attendance boundaries website to the department of real estate.

25 38. If the state board of education determines that the school
26 district has committed an overexpenditure as defined in section 15-107,
27 provide a copy of the fiscal management report submitted pursuant to
28 section 15-107, subsection H on its website and make copies available to
29 the public on request. The school district shall comply with a request
30 within five business days after receipt.

31 39. Ensure that the contract for the superintendent is structured
32 in a manner in which up to twenty percent of the total annual salary
33 included for the superintendent in the contract is classified as
34 performance pay. This paragraph does not require school districts to
35 increase total compensation for superintendents. Unless the school
36 district governing board votes to implement an alternative procedure at a
37 public meeting called for this purpose, the performance pay portion of the
38 superintendent's total annual compensation shall be determined as follows:

39 (a) Twenty-five percent of the performance pay shall be determined
40 based on the percentage of academic gain determined by the department of
41 education of pupils who are enrolled in the school district compared to
42 the academic gain achieved by the highest ranking of the fifty largest
43 school districts in this state. For the purposes of this subdivision, the
44 department of education shall determine academic gain by the academic
45 growth achieved by each pupil who has been enrolled at the same school in

1 a school district for at least five consecutive months measured against
2 that pupil's academic results in the 2008-2009 school year. For the
3 purposes of this subdivision, of the fifty largest school districts in
4 this state, the school district with pupils who demonstrate the highest
5 statewide percentage of overall academic gain measured against academic
6 results for the 2008-2009 school year shall be assigned a score of 100 and
7 the school district with pupils who demonstrate the lowest statewide
8 percentage of overall academic gain measured against academic results for
9 the 2008-2009 school year shall be assigned a score of 0.

10 (b) Twenty-five percent of the performance pay shall be determined
11 by the percentage of parents of pupils who are enrolled at the school
12 district who assign a letter grade of "A" to the school on a survey of
13 parental satisfaction with the school district. The parental satisfaction
14 survey shall be administered and scored by an independent entity that is
15 selected by the governing board and that demonstrates sufficient expertise
16 and experience to accurately measure the results of the survey. The
17 parental satisfaction survey shall use standard random sampling procedures
18 and provide anonymity and confidentiality to each parent who participates
19 in the survey. The letter grade scale used on the parental satisfaction
20 survey shall direct parents to assign one of the following letter grades:

- 21 (i) A letter grade of "A" if the school district is excellent.
- 22 (ii) A letter grade of "B" if the school district is above average.
- 23 (iii) A letter grade of "C" if the school district is average.
- 24 (iv) A letter grade of "D" if the school district is below average.
- 25 (v) A letter grade of "F" if the school district is a failure.

26 (c) Twenty-five percent of the performance pay shall be determined
27 by the percentage of teachers who are employed at the school district and
28 who assign a letter grade of "A" to the school on a survey of teacher
29 satisfaction with the school. The teacher satisfaction survey shall be
30 administered and scored by an independent entity that is selected by the
31 governing board and that demonstrates sufficient expertise and experience
32 to accurately measure the results of the survey. The teacher satisfaction
33 survey shall use standard random sampling procedures and provide anonymity
34 and confidentiality to each teacher who participates in the survey. The
35 letter grade scale used on the teacher satisfaction survey shall direct
36 teachers to assign one of the following letter grades:

- 37 (i) A letter grade of "A" if the school district is excellent.
- 38 (ii) A letter grade of "B" if the school district is above average.
- 39 (iii) A letter grade of "C" if the school district is average.
- 40 (iv) A letter grade of "D" if the school district is below average.
- 41 (v) A letter grade of "F" if the school district is a failure.

42 (d) Twenty-five percent of the performance pay shall be determined
43 by other criteria selected by the governing board.

44 40. Maintain and store permanent public records of the school
45 district as required by law. Notwithstanding section 39-101, the

1 standards adopted by the Arizona state library, archives and public
2 records for the maintenance and storage of school district public records
3 shall allow school districts to elect to satisfy the requirements of this
4 paragraph by maintaining and storing these records either on paper or in
5 an electronic format, or a combination of a paper and electronic format.

6 41. Adopt in a public meeting and implement policies for principal
7 evaluations. Before adopting principal evaluation policies, the school
8 district governing board shall provide opportunities for public discussion
9 on the proposed policies. The governing board shall adopt policies that:

10 (a) Are designed to improve principal performance and improve
11 student achievement.

12 (b) Include the use of quantitative data on the academic progress
13 for all students, which shall account for between twenty percent and
14 thirty-three percent of the evaluation outcomes.

15 (c) Include four performance classifications, designated as highly
16 effective, effective, developing and ineffective.

17 (d) Describe both of the following:

18 (i) The methods used to evaluate the performance of principals,
19 including the data used to measure student performance and job
20 effectiveness.

21 (ii) The formula used to determine evaluation outcomes.

22 42. Prescribe and enforce policies and procedures that define the
23 duties of principals and teachers. These policies and procedures shall
24 authorize teachers to take and maintain daily classroom attendance, make
25 the decision to promote or retain a pupil in a grade in common school or
26 to pass or fail a pupil in a course in high school, subject to review by
27 the governing board in the manner provided in section 15-342,
28 paragraph 11.

29 43. Prescribe and enforce policies and procedures for the emergency
30 administration by an employee of a school district pursuant to section
31 36-2267 of naloxone hydrochloride or any other opioid antagonist approved
32 by the United States food and drug administration.

33 44. In addition to the notification requirements prescribed in
34 paragraph 36 of this subsection, prescribe and enforce reasonable and
35 appropriate policies to notify a pupil's parent or guardian if any person
36 engages in harassing, threatening or intimidating conduct against that
37 pupil. A school district and its officials and employees are immune from
38 civil liability with respect to all decisions made and actions taken that
39 are based on good faith implementation of the requirements of this
40 paragraph, except in cases of gross negligence or wanton or wilful
41 neglect. A person engages in threatening or intimidating if the person
42 threatens or intimidates by word or conduct to cause physical injury to
43 another person or serious damage to the property of another on school
44 grounds. A person engages in harassment if, with intent to harass or with
45 knowledge that the person is harassing another person, the person

1 anonymously or otherwise contacts, communicates or causes a communication
2 with another person by verbal, electronic, mechanical, telephonic or
3 written means in a manner that harasses on school grounds or substantially
4 disrupts the school environment.

5 45. Each fiscal year, provide to each school district employee a
6 total compensation statement that is broken down by category of benefit or
7 payment and that includes, for that employee, at least all of the
8 following:

9 (a) Base salary and any additional pay.

10 (b) Medical benefits and the value of any employer-paid portions of
11 insurance plan premiums.

12 (c) Retirement benefit plans, including social security.

13 (d) Legally required benefits.

14 (e) Any paid leave.

15 (f) Any other payment made to or on behalf of the employee.

16 (g) Any other benefit provided to the employee.

17 46. Develop and adopt in a public meeting policies to allow for
18 visits, tours and observations of all classrooms by parents of enrolled
19 pupils and parents who wish to enroll their children in the school
20 district unless a visit, tour or observation threatens the health and
21 safety of pupils and staff. These policies and procedures must be easily
22 accessible from the home page on each school's website.

23 B. Notwithstanding subsection A, paragraphs 7, 9 and 11 of this
24 section, the county school superintendent may construct, improve and
25 furnish school buildings or purchase or sell school sites in the conduct
26 of an accommodation school.

27 C. If any school district acquires real or personal property,
28 whether by purchase, exchange, condemnation, gift or otherwise, the
29 governing board shall pay to the county treasurer any taxes on the
30 property that were unpaid as of the date of acquisition, including
31 penalties and interest. The lien for unpaid delinquent taxes, penalties
32 and interest on property acquired by a school district:

33 1. Is not abated, extinguished, discharged or merged in the title
34 to the property.

35 2. Is enforceable in the same manner as other delinquent tax liens.

36 D. The governing board may not locate a school on property that is
37 less than one-fourth mile from agricultural land regulated pursuant to
38 section 3-365, except that the owner of the agricultural land may agree to
39 comply with the buffer zone requirements of section 3-365. If the owner
40 agrees in writing to comply with the buffer zone requirements and records
41 the agreement in the office of the county recorder as a restrictive
42 covenant running with the title to the land, the school district may
43 locate a school within the affected buffer zone. The agreement may
44 include any stipulations regarding the school, including conditions for

1 future expansion of the school and changes in the operational status of
2 the school that will result in a breach of the agreement.

3 E. A school district, its governing board members, its school
4 council members and its employees are immune from civil liability for the
5 consequences of adopting and implementing policies and procedures pursuant
6 to subsection A of this section and section 15-342. This waiver does not
7 apply if the school district, its governing board members, its school
8 council members or its employees are guilty of gross negligence or
9 intentional misconduct.

10 F. A governing board may delegate in writing to a superintendent,
11 principal or head teacher the authority to prescribe procedures that are
12 consistent with the governing board's policies.

13 G. Notwithstanding any other provision of this title, a school
14 district governing board shall not **DO EITHER OF THE FOLLOWING:**

15 1. Take any action that would result in a reduction of pupil square
16 footage unless the governing board notifies the school facilities
17 oversight board established by section 41-5701.02 of the proposed action
18 and receives written approval from the school facilities oversight board
19 to take the action. A reduction includes an increase in administrative
20 space that results in a reduction of pupil square footage or sale of
21 school sites or buildings, or both. A reduction includes a
22 reconfiguration of grades that results in a reduction of pupil square
23 footage of any grade level. This **subsection PARAGRAPH** does not apply to
24 temporary reconfiguration of grades to accommodate new school construction
25 if the temporary reconfiguration does not exceed one year. The sale of
26 equipment that results in a reduction that falls below the equipment
27 requirements prescribed in section 41-5711, subsection B is subject to
28 commensurate withholding of school district additional assistance
29 monies pursuant to the direction of the school facilities oversight
30 board. Except as provided in section 15-342, paragraph 10, proceeds from
31 the sale of school sites, buildings or other equipment shall be deposited
32 in the school plant fund as provided in section 15-1102.

33 2. **ENTER INTO TWO OR MORE REAL ESTATE TRANSACTIONS IN A**
34 **TWELVE-MONTH PERIOD IF THE TRANSACTIONS INVOLVE BOTH THE SAME PARTIES AND**
35 **THE SAME PROPERTY. FOR THE PURPOSES OF THIS PARAGRAPH:**

36 (a) **"PROPERTY" MEANS A SCHOOL SITE, A SCHOOL BUILDING, A SCHOOL**
37 **FACILITY, A PORTION OF A SCHOOL SITE, SCHOOL BUILDING OR SCHOOL FACILITY**
38 **OR A TRACT OF LAND.**

39 (b) **"TRANSACTION" INCLUDES THE SALE, EXCHANGE, PURCHASE OR LEASE,**
40 **IN WHOLE OR IN PART, OF PROPERTY.**

41 H. Subsections C through G of this section apply to a county board
42 of supervisors and a county school superintendent when operating and
43 administering an accommodation school.

44 I. A school district governing board may delegate authority in
45 writing to the superintendent of the school district to submit plans for

1 new school facilities to the school facilities oversight board for the
2 purpose of certifying that the plans meet the minimum school facility
3 adequacy guidelines prescribed in section 41-5711.

4 J. For the purposes of subsection A, paragraph 37 of this section,
5 attendance boundaries may not be used to require students to attend
6 certain schools based on the student's place of residence.

7 Sec. 4. Section 38-201, Arizona Revised Statutes, is amended to
8 read:

9 38-201. General qualifications

10 A. ~~Every~~ EACH officer shall be ~~not less than~~ AT LEAST eighteen
11 years of age, a citizen of the United States and a resident of this state.

12 B. ~~No~~ A person is NOT eligible to any office, employment or service
13 in any public institution in ~~the~~ THIS state, or in any of the several
14 counties ~~thereof~~, OF THIS STATE of any kind or character, whether by
15 election, appointment or contract, unless ~~he~~ THE PERSON is a citizen of
16 the United States, but ~~the provisions of~~ this subsection ~~shall~~ DOES not
17 apply to the employment of any teacher, instructor or professor authorized
18 to teach in the United States under the teacher exchange program as
19 provided by federal statutes or the employment of university or college
20 faculty members.

21 C. A person who is unable to speak, write and read the English
22 language is not eligible to hold a state, county, city, town or precinct
23 office in ~~the~~ THIS state, whether elective or appointive, and ~~no~~ A
24 certificate of election or commission shall NOT issue to a person so
25 disqualified.

26 D. Except as provided in subsection E OF THIS SECTION, a person is
27 not eligible for employment by or service for ~~the~~ THIS state or a
28 political subdivision of ~~the~~ THIS state, including all boards and
29 commissions of ~~the~~ THIS state or political subdivision OF THIS STATE, all
30 multimember governing bodies of departments, agencies, institutions and
31 instrumentalities of ~~the~~ THIS state or political subdivisions OF THIS
32 STATE unless the person has registered with the selective service system
33 if required by the federal military selective service act (62 Stat. 604;
34 50 United States Code App. section 453).

35 E. A person may not be denied a right, privilege or benefit by
36 reason of subsection D OF THIS SECTION if either of the following applies:

37 1. The requirement for the person to so register has terminated or
38 become inapplicable to the person.

39 2. The person shows by a preponderance of the evidence that the
40 failure of the person to register with the selective service system was
41 not a knowing and ~~willful~~ WILFUL failure to register.

42 F. A PERSON IS NOT ELIGIBLE TO HOLD AN APPOINTED STATE, COUNTY,
43 CITY, TOWN OR PRECINCT OFFICE THAT IS ESTABLISHED BY LEGISLATIVE ENACTMENT
44 IF THE PERSON EITHER:

1 1. IS REQUIRED TO RESIGN FROM THE OFFICE OF SCHOOL DISTRICT
2 GOVERNING BOARD MEMBER PURSUANT TO SECTION 15-302.01.

3 2. RESIGNED FROM THE OFFICE OF SCHOOL DISTRICT GOVERNING BOARD
4 MEMBER UP TO ONE MONTH BEFORE THE SCHOOL DISTRICT WAS PLACED IN
5 RECEIVERSHIP PURSUANT TO SECTION 15-103.

6 Sec. 5. School districts in receivership; resignation of
7 governing board members; vacancies; delayed repeal

8 A. If the state board of education placed a school district in
9 receivership pursuant to section 15-103, Arizona Revised Statutes, as
10 amended by this act, in January 2025, each member of the school district
11 governing board shall immediately resign and the vacancies shall be filled
12 pursuant to section 15-302.01, Arizona Revised Statutes, as added by this
13 act.

14 B. This section is repealed from and after December 31, 2026.

15 Sec. 6. Retroactivity

16 Section 15-341, Arizona Revised Statutes, as amended by this act,
17 applies retroactively to from and after January 1, 2025.

18 Sec. 7. Severability

19 If any provision of this act or its application to any person or
20 circumstance is held invalid, the invalidity does not affect other
21 provisions or applications of the act that can be given effect without the
22 invalid provision or application, and to this end the provisions of this
23 act are severable.

24 (ENACTED WITHOUT THE EMERGENCY)

25 Sec. 8. Emergency

26 This act is an emergency measure that is necessary to preserve the
27 public peace, health or safety and is operative immediately as provided by
28 law.