REFERENCE TITLE: auditor general; charter schools

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1326

Introduced by
Senators Epstein: Alston; Representative Garcia

AN ACT

AMENDING SECTIONS 15-120, 15-914.02, 41-1279.03 AND 41-1279.04, ARIZONA REVISED STATUTES; RELATING TO THE AUDITOR GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 15-120, Arizona Revised Statutes, is amended to read:

15-120. Suicide prevention training; approved materials; posting; immunity; spending classification

A. ~~Beginning in the 2020-2021 school year,~~ School districts and charter schools shall provide training in suicide awareness and prevention for school guidance counselors, teachers, principals and other school personnel who work with pupils in grades six through twelve. Each person who is required to obtain training pursuant to this section shall complete that training at least once every three years. The training must include:

1. Training in suicide prevention.

2. Training to identify the warning signs of suicidal behavior in adolescents and teens.

3. Appropriate intervention and referral techniques.

B. The training prescribed in subsection A of this section:

1. Must use evidence-based training materials.

2. May be provided within the framework of existing in-service training programs offered by the school district or charter school or as part of professional development activities.

C. The Arizona health care cost containment system administration shall make available suicide prevention training that complies with the requirements of this section and post this training information on the administration's website. ~~On or before July 1, 2020,~~ The administration shall identify or develop and post on the administration's website a list of approved materials that schools may use to provide the training prescribed in subsection A of this section. The administration shall annually update these approved materials.

D. School personnel, entities or any other persons are not civilly liable for any actions taken in good faith pursuant to this section except in cases of gross negligence, wilful misconduct or intentional wrongdoing.

E. The auditor general shall classify any costs incurred by school districts OR CHARTER SCHOOLS in implementing this section as classroom spending for the purposes of the ~~annual~~ report prepared pursuant to section 41-1279.03, subsection A, paragraph 9.

Sec. 2. Section 15-914.02, Arizona Revised Statutes, is amended to read:

15-914.02. School districts; charter schools; audit

A school district OR CHARTER SCHOOL that is subject to audit pursuant to section 41-1279.03 shall comply with the reporting, follow-up and hearing participation requirements of that section.

Sec. 3. Section 41-1279.03, Arizona Revised Statutes, is amended to read:

41-1279.03. Powers and duties

A. The auditor general shall:

1. Prepare an audit plan for approval by the committee and report to the committee the results of each audit and investigation and other reviews conducted by the auditor general.

2. Conduct or cause to be conducted annual financial and compliance audits of financial transactions and accounts kept by or for all state agencies subject to the federal single audit requirements. The audits shall be conducted in accordance with generally accepted governmental auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary in the circumstances. The audits shall include the issuance of suitable reports as required by the federal single audit requirements so that the legislature, the federal government and others will be informed as to the adequacy of financial statements of this state in compliance with generally accepted accounting principles and to determine whether this state has complied with laws and regulations that may have a material effect on the financial statements and on major federal assistance programs.

3. Perform procedural reviews for all state agencies at times determined by the auditor general. These reviews may include evaluation of administrative and accounting internal controls and reports on these reviews.

4. Perform special research requests, special audits and related assignments as designated by the committee and conduct performance audits, special audits, special research requests and investigations of any state agency, whether created by the constitution or otherwise, as may be requested by the committee.

5. Annually on or before the fourth Monday of December, prepare a written report to the governor and to the committee that contains a summary of activities for the previous fiscal year.

6. In the fifth year and in each fifth year thereafter in which a transportation excise tax is in effect in a county as provided in section 42-6106 or 42-6107, conduct a performance audit that:

(a) Reviews past expenditures and future planned expenditures of the transportation excise revenues and determines the impact of the expenditures in solving transportation problems within the county and, for a transportation excise tax in effect in a county as provided in section 42-6107, determines whether the expenditures of the transportation excise revenues comply with section 28-6392, subsection B.

(b) Reviews projects completed to date and projects to be completed during the remaining years in which a transportation excise tax is in effect. Within six months after each review period, the auditor general shall present a report to the speaker of the house of representatives and the president of the senate detailing findings and making recommendations.

(c) Reviews, determines, reports and makes recommendations to the speaker of the house of representatives and the president of the senate whether the distribution of Arizona highway user revenues complies with title 28, chapter 18, article 2.

7. If requested by the committee, conduct performance audits of counties and incorporated cities and towns receiving Arizona highway user revenue fund monies pursuant to title 28, chapter 18, article 2 to determine whether the monies are being spent as provided in section 28-6533, subsection B.

8. Perform special audits designated pursuant to law if the auditor general determines that there are adequate monies appropriated for the auditor general to complete the audit. If the auditor general determines the appropriated monies are inadequate, the auditor general shall notify the JOINT LEGISLATIVE AUDIT committee. Based on information provided by the auditor general, for any legislative measure that requires the auditor general to perform a special audit, the joint legislative budget committee staff shall notify all the members of the legislature as soon as practicable of the cost to conduct the special audit.

9. Establish a schoolwide audit team in the office of the auditor general to conduct performance audits and monitor school districts AND CHARTER SCHOOLS to determine the percentage of every dollar spent in the classroom by the school district OR CHARTER SCHOOL. Each school district AND CHARTER SCHOOL shall prominently post on its website home page a copy of its profile pages that displays the percentage of every dollar spent in the classroom by that school district OR CHARTER SCHOOL from the most recent status report issued by the auditor general pursuant to this paragraph. The auditor general shall determine, through random selection, the school districts AND CHARTER SCHOOLS to be audited each year, subject to review by the joint legislative audit committee. A school district OR CHARTER SCHOOL that is subject to an audit pursuant to this paragraph shall notify the auditor general in writing whether the school district OR CHARTER SCHOOL agrees or disagrees with the findings of the audit and whether the school district OR CHARTER SCHOOL will implement the recommendations, implement modifications to the recommendations or refuse to implement the recommendations. The school district OR CHARTER SCHOOL shall submit to the auditor general a written status report on the implementation of the audit recommendations at the request of the auditor general, within the two-year period following the issuance of an audit conducted pursuant to this paragraph. The auditor general shall review the school district's OR CHARTER SCHOOL'S progress toward implementing the recommendations of the audit and provide status reports of the reviews to the joint legislative audit committee during this two-year period. The auditor general may review a school district's OR CHARTER SCHOOL'S progress beyond this two-year period for recommendations that have not yet been implemented by the school district OR CHARTER SCHOOL. The school district OR CHARTER SCHOOL shall participate in any hearing scheduled during this review period by the joint legislative audit committee or by

any other legislative committee designated by the joint legislative audit committee.

10. Annually review per diem compensation and reimbursement of expenses for employees of this state and members of a state board, commission, council or advisory committee by judgmentally selecting samples and evaluating the propriety of per diem compensation and expense reimbursements.

B. The auditor general may:

1. Subject to approval by the committee, adopt rules necessary to administer the duties of the office.

2. Hire consultants to conduct the studies required by subsection A, paragraphs 6 and 7 of this section.

C. If approved by the committee, the auditor general may charge a reasonable fee for the cost of performing audits or providing accounting services for auditing federal funds, special audits or special services requested by political subdivisions of this state. Monies collected pursuant to this subsection shall be deposited in the audit services revolving fund.

D. The department of transportation, the county treasurer, the county transportation excise tax recipients, ~~and~~ the board of supervisors of a county that has approved a county transportation excise tax as provided in section 42-6106 or 42-6107 and the governing bodies of counties, cities and towns receiving Arizona highway user revenue fund monies shall cooperate with and provide necessary information to the auditor general or the auditor general's consultant.

E. The department of transportation or the county transportation excise tax recipients shall reimburse the auditor general as follows, and the auditor general shall deposit the reimbursed monies in the audit services revolving fund:

1. For the cost of conducting the studies or hiring a consultant to conduct the studies required by subsection A, paragraph 6, subdivisions (a) and (b) of this section, from monies collected pursuant to a county transportation excise tax levied pursuant to section 42-6106 or 42-6107.

2. For the cost of conducting the studies or hiring a consultant pursuant to subsection A, paragraph 6, subdivision (c) and paragraph 7 of this section, from the Arizona highway user revenue fund.

Sec. 4. Section 41-1279.04, Arizona Revised Statutes, is amended to read:

41-1279.04. Authority to examine records; violation; classification; attorney general supervision

A. The auditor general or the auditor general's authorized representatives, in the performance of official duties, shall have access to employees and the authority to examine any and all books, accounts, reports, vouchers, correspondence files and other records, bank accounts, criminal history record information as defined in section 41-1701 and in accordance with section 41-1750, monies and other property of any state agency, board, commission, department, institution, program, advisory council or committee or political subdivision of this state, whether created by the constitution or otherwise, or such documents and property of a contractor relating to a contract with this state pursuant to section 35-214. Any such agency or political subdivision~~, having~~ THAT HAS such records under the officer's or employee's control~~,~~ shall allow access to and examination of the records on the request of the auditor general or the auditor general's authorized representative.

B. For the purpose of complying with section 41-1279.03, subsection A, paragraphs 4 and 9, the auditor general or the auditor general's authorized representative, in the performance of official duties, may attend executive sessions of the governing body of any state agency, ~~or~~ school district OR CHARTER SCHOOL in this state.

C. For the purpose of auditing the department of revenue, the auditor general and the auditor general's authorized representatives have access to state tax returns, except that a report of the auditor general shall not violate the confidentiality of state tax laws.

D. For the purpose of complying with subsection A of this section, all officers of any state agency, board, commission, department, institution, program, advisory council or committee or political subdivision of this state shall provide reasonable space for auditor general staff and make records available, in the form and at the time prescribed.

E. Any officer or person who knowingly fails or WHO refuses to allow access and examination pursuant to this section or knowingly obstructs or misleads the auditor general in the execution of the auditor general's duties is guilty of a class 2 misdemeanor.

F. The attorney general shall supervise the prosecution of all offenders under this section.