

REFERENCE TITLE: charter schools; financial records

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

SB 1329

Introduced by
Senators Epstein; Alston, Diaz

AN ACT

AMENDING SECTION 15-183, ARIZONA REVISED STATUTES; RELATING TO CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-183, Arizona Revised Statutes, is amended to
3 read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 5. All persons engaged in instructional work directly as a
37 classroom, laboratory or other teacher or indirectly as a supervisory
38 teacher, speech therapist or principal and all charter representatives,
39 charter school governing body members and officers, directors, members and
40 partners of the charter holder shall have a valid fingerprint clearance
41 card that is issued pursuant to title 41, chapter 12, article 3.1, unless
42 the person is a volunteer or guest speaker who is accompanied in the
43 classroom by a person with a valid fingerprint clearance card. A charter
44 school shall not employ in any position that requires a valid fingerprint
45 clearance card a person against whom the state board of education has

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

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

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

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

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

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

1 (f) Verifies the fingerprint status of the applicant with the
2 department of public safety.

3 6. A charter school that complies with the fingerprinting
4 requirements of this section shall be deemed to have complied with section
5 15-512 and is entitled to the same rights and protections provided to
6 school districts by section 15-512.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Ensure that, except as provided in this article, it is subject to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as prescribed in chapter 2, article 4 of this title, procurement rules as prescribed in section 15-213 and audit requirements. ~~The auditor general shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of financial records that relate to charter schools are in accordance with commonly accepted accounting principles used by private business.~~ A school's charter may include exceptions to the requirements of this paragraph that are necessary as determined by the university, the community college district, the group of community college districts, the state board of education or the state board for charter schools, **EXCEPT THAT A SCHOOL'S CHARTER MAY NOT EXEMPT THE CHARTER SCHOOL FROM THE UNIFORM SYSTEM OF FINANCIAL RECORDS PRESCRIBED IN CHAPTER 2, ARTICLE 4 OF THIS TITLE.** The department of education or the office of the auditor general may conduct financial, program or compliance audits.

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

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

9. Ensure that it provides a minimum of one hundred eighty instructional days before June 30 of each fiscal year unless it is operating on an alternative calendar approved by its sponsor. The

1 superintendent of public instruction shall adjust the apportionment
2 schedule accordingly to accommodate a charter school utilizing an
3 alternative calendar.

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

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

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

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

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

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

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

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

37 (d) Complete the obligations of the contract.

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

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

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

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

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

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

13 (d) Complete the obligations of the contract.

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

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

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

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

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

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

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

33 5. Before the sponsor adopts a determination of intent to revoke a
34 charter, the charter holder shall have at least thirty days to address the
35 problems, as necessary or applicable, associated with the reason or
36 reasons for the determination of intent to revoke. The sponsor is not
37 required to provide the charter holder with thirty days to correct the
38 problems associated with the reason or reasons for adopting a
39 determination of intent to revoke if the reason or reasons cannot be
40 remedied, including a failure to submit required financial audits pursuant
41 to subsection E, paragraph 6 of this section and section 15-914, or for a
42 matter of health or safety, or both. Before the sponsor adopts a
43 determination of intent to revoke a charter, the sponsor shall give
44 written notice to the charter holder that includes the reason or reasons
45 for the sponsor's consideration to revoke the charter. Notice may be

provided by electronic means or by United States mail and is effective on the date of email or, if sent by United States mail, the earlier of the date of receipt by the charter holder or within five days after the notice is mailed. The determination of whether to proceed to revocation shall be made at a public meeting called for that purpose.

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

K. A charter school that is sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts may not be located on the property of a school district unless the district governing board grants this authority.

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

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

- (a) Disciplinary or corrective action.
- (b) Detail, transfer or reassignment.
- (c) Suspension, demotion or dismissal.
- (d) An unfavorable performance evaluation.
- (e) A reduction in pay, benefits or awards.
- (f) Elimination of the employee's position without a reduction in force by reason of lack of monies or work.
- (g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification.

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

- (a) Suspension or termination of the program.
- (b) Transfer or reassignment of the program to a less favorable 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.

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

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

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

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

18 Q. The sponsor of a charter school shall establish procedures to
19 conduct administrative hearings on determination by the sponsor that
20 grounds exist to revoke a charter. Procedures for administrative hearings
21 shall be similar to procedures prescribed for adjudicative proceedings in
22 title 41, chapter 6, article 10. Except as provided in section
23 41-1092.08, subsection H, final decisions of the state board of education
24 and the state board for charter schools from hearings conducted pursuant
25 to this subsection are subject to judicial review pursuant to title 12,
26 chapter 7, article 6.

27 R. The sponsoring entity of a charter school shall have oversight
28 and administrative responsibility for the charter schools that it
29 sponsors. In implementing its oversight and administrative
30 responsibilities, the sponsor shall ground its actions in evidence of the
31 charter holder's performance in accordance with the performance framework
32 adopted by the sponsor. The performance framework shall be publicly
33 available, shall be placed on the sponsoring entity's website and shall
34 include:

35 1. The academic performance expectations of the charter school and
36 the measurement of sufficient progress toward the academic performance
37 expectations.

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

40 3. The financial expectations of the charter school.

41 4. Intervention and improvement policies.

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

44 T. All property accumulated by a charter school shall remain the
45 property of the charter school.

1 U. Charter schools may not locate a school on property that is less
2 than one-fourth mile from agricultural land regulated pursuant to section
3 3-365, except that the owner of the agricultural land may agree to comply
4 with the buffer zone requirements of section 3-365. If the owner agrees
5 in writing to comply with the buffer zone requirements and records the
6 agreement in the office of the county recorder as a restrictive covenant
7 running with the title to the land, the charter school may locate a school
8 within the affected buffer zone. The agreement may include any
9 stipulations regarding the charter school, including conditions for future
10 expansion of the school and changes in the operational status of the
11 school that will result in a breach of the agreement.

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

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

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

38 Y. The sponsoring entity may not charge any fees to a charter
39 school that it sponsors unless the sponsor has provided services to the
40 charter school and the fees represent the full value of those services
41 provided by the sponsor. On request, the value of the services provided
42 by the sponsor to the charter school shall be demonstrated to the
43 department of education.

44 Z. Charter schools may enter into an intergovernmental agreement
45 with a presiding judge of the juvenile court to implement a law-related

1 education program as defined in section 15-154. The presiding judge of
2 the juvenile court may assign juvenile probation officers to participate
3 in a law-related education program in any charter school in the county.
4 The cost of juvenile probation officers who participate in the program
5 implemented pursuant to this subsection shall be funded by the charter
6 school.

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

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

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

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

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

33 FF. A charter school may allow the use of school property,
34 including school buildings, grounds, buses and equipment, by any person,
35 group or organization for any lawful purpose, including a recreational,
36 educational, political, economic, artistic, moral, scientific, social,
37 religious or other civic or governmental purpose. The charter school may
38 charge a reasonable fee for the use of the school property.

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

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

4 1. The current number of charters authorized and the number of
5 schools operated by authorized charter holders.

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

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

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

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

27