

REFERENCE TITLE: school district employees; prohibited employment

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2387

Introduced by
Representatives Gress: Carter N, Fink, Gillette; Senators Angius, Werner

AN ACT

AMENDING TITLE 15, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-502.01; AMENDING SECTIONS 15-503 AND 38-503, ARIZONA
REVISED STATUTES; RELATING TO SCHOOL DISTRICT EMPLOYEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 15, chapter 5, article 1, Arizona Revised
3 Statutes, is amended by adding section 15-502.01, to read:

4 15-502.01. Secondary employment; school district officials;
5 prohibition; legal actions; definitions

6 A. NOTWITHSTANDING SECTIONS 15-502 AND 15-503, THE GOVERNING BOARD
7 OF A SCHOOL DISTRICT WITH A STUDENT COUNT OF MORE THAN FIVE HUNDRED MAY
8 NOT EMPLOY ANY INDIVIDUAL AS A SCHOOL DISTRICT OFFICIAL WHILE THE
9 INDIVIDUAL ENGAGES IN SECONDARY EMPLOYMENT.

10 B. THE FOLLOWING PERSONS MAY BRING AN ACTION IN A COURT OF
11 COMPETENT JURISDICTION TO ENJOIN ANY VIOLATION OF THIS SECTION BY A SCHOOL
12 DISTRICT GOVERNING BOARD:

13 1. A STUDENT'S PARENT OR A STUDENT WHO IS AT LEAST EIGHTEEN YEARS
14 OF AGE, IF THE STUDENT IS ENROLLED AT A SCHOOL IN THE SCHOOL DISTRICT.

15 2. A PERSON WHO RESIDES IN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL
16 DISTRICT.

17 3. ANY OTHER PERSON WHO HAS AN INTEREST THAT IS OR MAY BE ADVERSELY
18 AFFECTED.

19 C. FOR THE PURPOSES OF THIS SECTION:

20 1. "OFFICIAL":

21 (a) MEANS AN INDIVIDUAL WHO MEETS ANY OF THE FOLLOWING:

22 (i) IS RESPONSIBLE FOR PROCUREMENT ACTIVITIES OF THE SCHOOL
23 DISTRICT.

24 (ii) IS RESPONSIBLE FOR THE DIRECTION, CONTROL AND OPERATION OF THE
25 SCHOOL DISTRICT OR SCHOOL DISTRICT OFFICES.

26 (iii) HAS CONTROL OR DECISION-MAKING AUTHORITY OVER THE SCHOOL
27 DISTRICT'S BUDGET.

28 (b) INCLUDES A SUPERINTENDENT AND CHIEF FINANCIAL OFFICER.

29 2. "SECONDARY EMPLOYMENT":

30 (a) MEANS ANY WORK, SERVICE OR BUSINESS ACTIVITY FOR WHICH AN
31 INDIVIDUAL RECEIVES MONETARY OR OTHER COMPENSATION AS AN EMPLOYEE,
32 CONTRACTOR, BUSINESS OWNER OR BUSINESS PARTNER.

33 (b) DOES NOT INCLUDE EITHER:

34 (i) THE DISCHARGE OF AN INDIVIDUAL'S DUTIES AS AN OFFICIAL FOR THE
35 SCHOOL DISTRICT.

36 (ii) THE DISCHARGE OF AN INDIVIDUAL'S DUTIES AS AN OFFICIAL FOR
37 MORE THAN ONE SCHOOL ONLY IF THE SCHOOL DISTRICT EMPLOYS THE INDIVIDUAL
38 JOINTLY WITH THE OTHER SCHOOL DISTRICT PURSUANT TO SECTION 15-503.

39 (iii) PASSIVE INVESTMENT ACTIVITY.

40 3. "SUPERINTENDENT" INCLUDES A SUPERINTENDENT, DEPUTY
41 SUPERINTENDENT, ASSISTANT SUPERINTENDENT AND ASSOCIATE SUPERINTENDENT.

1 Sec. 2. Section 15-503, Arizona Revised Statutes, is amended to
2 read:

3 15-503. Superintendents, principals, head teachers and school
4 psychologists; terms of employment; evaluation;
5 contract delivery and acceptance; nonretention
6 notice

7 A. ~~The~~ A SCHOOL DISTRICT governing board may:

8 1. Employ a superintendent or principal, or both. If the governing
9 board employs a superintendent, the governing board shall determine the
10 qualifications for the superintendent by action taken at a public meeting.
11 The governing board shall require a superintendent to have a valid
12 fingerprint clearance card that is issued pursuant to title 41, chapter
13 12, article 3.1.

14 2. Appoint a head teacher.

15 3. Jointly with another governing board employ a superintendent or
16 a principal, or both, **ONLY IF THE STUDENT COUNT OF AT LEAST ONE OF THE**
17 **SCHOOL DISTRICTS IS NOT MORE THAN FIVE HUNDRED ON THE DATE THAT THE**
18 **GOVERNING BOARDS EXECUTE OR EXTEND THE SUPERINTENDENT'S EMPLOYMENT**
19 **CONTRACT.** If the governing board jointly employs a superintendent, the
20 governing boards shall jointly determine the qualifications for the
21 superintendent by action taken at a public meeting. The governing boards
22 shall require a superintendent to have a valid fingerprint clearance card
23 that is issued pursuant to title 41, chapter 12, article 3.1.

24 B. The term of employment of superintendents may be for any period
25 not exceeding three years, except that if the superintendent's contract
26 with the school district is for multiple years pursuant to this
27 subsection, the school district shall not offer to extend or renegotiate
28 the contract ~~until no~~ earlier than fifteen months before the ~~expiration of~~
29 ~~the~~ contract **EXPIRES.** The term of employment of principals may be for any
30 period not exceeding three years, except that if the principal's contract
31 with the school district is for multiple years, the school district shall
32 not offer to extend or negotiate the contract until May of the year
33 preceding the final year of the contract. The school district governing
34 board or the governing body of the charter school shall communicate the
35 superintendent's or principal's duties with respect to the classroom site
36 fund established by section 15-977.

37 C. The governing board shall establish systems for the evaluation
38 of the performance of principals and other school administrators and
39 certificated school psychologists in the school district. In ~~the~~
40 ~~development~~ **DEVELOPING** and ~~adoption of~~ **ADOPTING** these performance
41 evaluation systems, the governing board shall avail itself of the advice
42 of its administrators and certificated school psychologists. Each
43 evaluation shall include recommendations as to areas of improvement in the
44 performance of the certificated school psychologist if the performance of
45 the certificated school psychologist warrants improvement. After

1 transmittal of an assessment, a governing board designee shall confer with
 2 the certificated school psychologist to make specific recommendations as
 3 to areas of improvement in the certificated school psychologist's
 4 performance. The governing board designee shall provide assistance and
 5 opportunities for the certificated school psychologist to improve
 6 performance and shall follow up with the certificated school psychologist
 7 after a reasonable period of time for the purpose of ascertaining that the
 8 certificated school psychologist is demonstrating adequate
 9 performance. The evaluation process for certificated school psychologists
 10 shall include appeal procedures for certificated school psychologists who
 11 disagree with the evaluation of their performance, if the evaluation is
 12 for use as criteria for establishing compensation or dismissal.

13 D. On or before May 15 each year, the governing board shall offer a
 14 contract for the next school year to each certified administrator and
 15 certificated school psychologist who is in the last year of the person's
 16 contract unless, on or before April 15, the governing board, a member of
 17 the board acting on behalf of the governing board or the superintendent of
 18 the school district gives notice to the administrator or certificated
 19 school psychologist of the governing board's intention not to offer a new
 20 contract. If the governing board has called for an override election for
 21 the third Tuesday in May as provided in section 15-481, the governing
 22 board shall offer a contract for the next school year to each certified
 23 administrator or certificated school psychologist who is in the last year
 24 of the person's contract on or before June 15 unless, ~~no~~ NOT later than
 25 five days after the override election excluding Saturday, Sunday and legal
 26 holidays, the governing board, a member of the governing board acting on
 27 behalf of the governing board or the superintendent of the school district
 28 gives notice to the administrator or the certificated school psychologist
 29 of the governing board's intention not to offer a new contract. The
 30 administrator's or the certificated school psychologist's acceptance of
 31 the contract shall be indicated within thirty days after the date of the
 32 written contract or the offer is revoked. The administrator or
 33 certificated school psychologist accepts the contract by signing the
 34 contract and returning it to the governing board or by making a written
 35 instrument that accepts the terms of the contract and delivering the
 36 written instrument to the governing board.

37 E. Notice of the governing board's intention not to reemploy the
 38 administrator or certificated school psychologist shall be made by
 39 delivering the notice personally to the administrator or the certificated
 40 school psychologist or by sending the notice by certified mail, postmarked
 41 on or before the applicable deadline prescribed in subsection D of this
 42 section, and directed to the administrator or the certificated school
 43 psychologist at the person's place of residence as recorded in the school
 44 district records.

1 F. The governing board shall make available the evaluation and
2 performance classification of each principal in the school district to
3 school districts and charter schools that are inquiring about the
4 performance of the principal for hiring purposes.

5 Sec. 3. Section 38-503, Arizona Revised Statutes, is amended to
6 read:

7 38-503. Conflict of interest; exemptions; employment
8 prohibitions

9 A. Any public officer or employee of a public agency who has, or
10 whose relative has, a substantial interest in any contract, sale, purchase
11 or service to ~~such~~ THE public agency shall make known that SUBSTANTIAL
12 interest in the official records of ~~such~~ THE public agency and shall
13 refrain from voting ~~upon~~ ON or otherwise participating in any manner as an
14 officer or employee in ~~such~~ THE contract, sale or purchase.

15 B. Any public officer or employee who has, or whose relative has, a
16 substantial interest in any decision of a public agency shall make known
17 ~~such~~ THAT SUBSTANTIAL interest in the official records of ~~such~~ THE public
18 agency and shall refrain from participating in any manner as an officer or
19 employee in ~~such~~ THE decision.

20 C. Notwithstanding ~~the provisions of~~ subsections A and B of this
21 section, ~~no~~ A public officer or employee of a public agency shall NOT
22 supply to ~~such~~ THE public agency any equipment, material, supplies or
23 services, unless pursuant to an award or contract let after public
24 competitive bidding, except that:

25 1. A school district governing board may purchase, as provided in
26 sections 15-213 and 15-323, supplies, materials and equipment from a
27 school board member.

28 2. Political subdivisions other than school districts may purchase
29 through their governing bodies, without using public competitive bidding
30 procedures, supplies, materials and equipment ~~not exceeding three hundred~~
31 ~~dollars~~ OF NOT MORE THAN \$300 in cost in any single transaction, not to
32 exceed a total of ~~one thousand dollars~~ \$1,000 annually, from a member of
33 the governing body if the policy for such purchases is approved annually.

34 D. Notwithstanding subsections A and B of this section: ~~and~~

35 1. As provided in sections 15-421 and 15-1441, the governing board
36 of a school district or a community college district may not employ a
37 person who is a member of the governing board or who is the spouse of a
38 member of the governing board.

39 2. AS PROVIDED IN SECTION 15-502.01, THE GOVERNING BOARD OF A
40 SCHOOL DISTRICT WITH A STUDENT COUNT OF MORE THAN FIVE HUNDRED MAY NOT
41 EMPLOY A PERSON AS A SCHOOL DISTRICT OFFICIAL WHILE THE PERSON ENGAGES IN
42 SECONDARY EMPLOYMENT AS DEFINED IN SECTION 15-502.01.

1 Sec. 4. Existing contracts: applicability

2 Section 15-502.01, Arizona Revised Statutes, as added by this act,
3 and sections 15-503 and 38-503, Arizona Revised Statutes, as amended by
4 this act, apply to employment contracts that are executed, amended or
5 renewed after the effective date of this act.