

REFERENCE TITLE: school districts; funds; financial reports

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1763

Introduced by
Senator Dunn

AN ACT

AMENDING SECTIONS 15-341 AND 15-904, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1224, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT FINANCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 15-341. General powers and duties; immunity; delegation

5 A. Each school district governing board shall:

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

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

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

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

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

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

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

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

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

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

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

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

44 13. Discipline students for disorderly conduct on the way to and
45 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~~ SECTION 15-1223 ~~and 15-1224~~, and the board shall spend the
33 monies as 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 delivery systems, while at school and
17 at school-sponsored activities. The pupil's name on the prescription
18 label on the medication container or on the medication device and annual
19 written documentation from the pupil's parent or guardian to the school
20 that authorizes possession and self-administration is sufficient proof
21 that the pupil is entitled to possess and self-administer the
22 medication. The policies shall require a pupil who uses an epinephrine
23 delivery system while at school and at school-sponsored activities to
24 notify the nurse or the designated school staff person of the use of the
25 medication as soon as practicable. A school district and its employees
26 are immune from civil liability with respect to all decisions made and
27 actions taken that are based on good faith implementation of the
28 requirements of this subdivision, except in cases of wanton or wilful
29 neglect.

30 (b) For the emergency administration of epinephrine delivery
31 systems by a trained employee of a school district pursuant to section
32 15-157.

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

44 36. Prescribe and enforce policies and procedures to prohibit
45 pupils from harassing, intimidating and bullying other pupils on school

1 grounds, on school property, on school buses, at school bus stops, at
2 school-sponsored events and activities and through the use of electronic
3 technology or electronic communication on school computers, networks,
4 forums and mailing lists that include the following components:

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

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

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

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

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

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

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

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

43 (i) Procedures designed to protect the health and safety of pupils
44 who are physically harmed as the result of incidents of harassment,

1 intimidation and bullying, including, if appropriate, procedures to
2 contact emergency medical services or law enforcement agencies, or both.

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

4 37. Prescribe and enforce policies and procedures regarding
5 changing or adopting attendance boundaries that include the following
6 components:

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

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

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

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

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

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

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

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

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

42 (a) Twenty-five percent of the performance pay shall be determined
43 based on the percentage of academic gain determined by the department of
44 education of pupils who are enrolled in the school district compared to
45 the academic gain achieved by the highest ranking of the fifty largest

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

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

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

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

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

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

3 40. Maintain and store permanent public records of the school
4 district as required by law. Notwithstanding section 39-101, the
5 standards adopted by the Arizona state library, archives and public
6 records for the maintenance and storage of school district public records
7 shall allow school districts to elect to satisfy the requirements of this
8 paragraph by maintaining and storing these records either on paper or in
9 an electronic format, or a combination of a paper and electronic format.

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

14 (a) Are designed to improve principal performance and improve
15 student achievement.

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

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

21 (d) Describe both of the following:

22 (i) The methods used to evaluate the performance of principals,
23 including the data used to measure student performance and job
24 effectiveness.

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

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

33 43. Prescribe and enforce policies and procedures for the emergency
34 administration by an employee of a school district pursuant to section
35 36-2267 of naloxone hydrochloride or any other opioid antagonist approved
36 by the United States food and drug administration.

37 44. In addition to the notification requirements prescribed in
38 paragraph 36 of this subsection, prescribe and enforce reasonable and
39 appropriate policies to notify a pupil's parent or guardian if any person
40 engages in harassing, threatening or intimidating conduct against that
41 pupil. A school district and its officials and employees are immune from
42 civil liability with respect to all decisions made and actions taken that
43 are based on good faith implementation of the requirements of this
44 paragraph, except in cases of gross negligence or wanton or wilful
45 neglect. A person engages in threatening or intimidating if the person

1 threatens or intimidates by word or conduct to cause physical injury to
2 another person or serious damage to the property of another on school
3 grounds. A person engages in harassment if, with intent to harass or with
4 knowledge that the person is harassing another person, the person
5 anonymously or otherwise contacts, communicates or causes a communication
6 with another person by verbal, electronic, mechanical, telephonic or
7 written means in a manner that harasses on school grounds or substantially
8 disrupts the school environment.

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

13 (a) Base salary and any additional pay.

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

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

17 (d) Legally required benefits.

18 (e) Any paid leave.

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

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

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

27 B. Notwithstanding subsection A, paragraphs 7, 9 and 11 of this
28 section, the county school superintendent may construct, improve and
29 furnish school buildings or purchase or sell school sites in the conduct
30 of an accommodation school.

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

37 1. Is not abated, extinguished, discharged or merged in the title
38 to the property.

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

40 D. The governing board may not locate a school on property that is
41 less than one-fourth mile from agricultural land regulated pursuant to
42 section 3-365, except that the owner of the agricultural land may agree to
43 comply with the buffer zone requirements of section 3-365. If the owner
44 agrees in writing to comply with the buffer zone requirements and records
45 the agreement in the office of the county recorder as a restrictive

1 covenant running with the title to the land, the school district may
2 locate a school within the affected buffer zone. The agreement may
3 include any stipulations regarding the school, including conditions for
4 future expansion of the school and changes in the operational status of
5 the school that will result in a breach of the agreement.

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

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

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

35 H. Subsections C through G of this section apply to a county board
36 of supervisors and a county school superintendent when operating and
37 administering an accommodation school.

38 I. A school district governing board may delegate authority in
39 writing to the superintendent of the school district to submit plans for
40 new school facilities to the school facilities oversight board for the
41 purpose of certifying that the plans meet the minimum school facility
42 adequacy guidelines prescribed in section 41-5711.

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

1 Sec. 2. Section 15-904, Arizona Revised Statutes, is amended to
2 read:

3 15-904. School district annual financial report; publication;
4 summary

5 A. The governing board of each school district shall publish an
6 annual financial report for the prior fiscal year **by ON OR BEFORE** November
7 15. The auditor general in conjunction with the department of education
8 shall prescribe the format of the financial report to be used by school
9 districts **ON OR BEFORE AUGUST 15**. The financial report shall contain
10 budgeted and actual expenditures for the preceding fiscal year and shall
11 be prepared and distributed **by ON OR BEFORE** October 15 by the school
12 district with a copy to the county school superintendent. A copy of the
13 annual financial report shall be submitted electronically by the school
14 district to the superintendent of public instruction **by ON OR BEFORE**
15 October 15. On or before October 15, the governing board shall submit the
16 annual financial report for the previous fiscal year to the department of
17 education, which shall prominently display this information about that
18 school district on the website maintained by the department. If the
19 school district maintains a website, the school district shall post a link
20 to the website of the department of education where this information about
21 the school district is posted.

22 B. In addition to the information required in subsection A of this
23 section, the annual financial report shall contain detailed information on
24 the school district budgeted and actual expenditures from the bond
25 building fund, the unrestricted capital **OUTLAY** fund, the adjacent ways
26 fund, the deficiencies correction fund and the new school facilities fund,
27 including information on classified salaries, employee benefits, interest
28 and fiscal charges, capital lease agreements, land and improvements,
29 buildings and improvements, furniture and equipment, technology and
30 vehicles and transportation equipment for pupils. The information shall
31 specify whether the expenditures are for school district renovation or for
32 new construction, the cost per square foot and land acquisition costs, as
33 appropriate.

34 C. Except as provided in subsection D of this section, the
35 governing board shall publish, **by ON OR BEFORE** November 15, the annual
36 financial report for the school district either in a newspaper of general
37 circulation within the school district, by electronic transmission of the
38 information to the department of education for posting on the department's
39 website or in the official newspaper of the county as prescribed in
40 section 11-255, or the governing board may mail the annual financial
41 report for the school district to each household in the school
42 district. If the governing board chooses to transmit the report
43 electronically to the department of education, the school district shall
44 provide a link on the school district's website to the report on the
45 department's website. If the governing board chooses to publish the

1 report in a newspaper, the size of the newspaper print shall be at least
2 eight-point type. The cost of publication or mailing shall be a charge
3 against the school district. The publisher's affidavit of publication
4 shall be filed by the governing board of the school district with the
5 superintendent of public instruction within thirty days after publication.

6 D. The governing board may publish or mail a summary of the annual
7 financial report in the same manner as provided in subsection C of this
8 section. The auditor general in conjunction with the department of
9 education shall prescribe the form of the summary of the annual financial
10 report for use by the governing boards **ON OR BEFORE AUGUST 15**.

11 E. The superintendent of public instruction shall compile the
12 financial reports of the school districts, including expenditure data for
13 federal and state projects, and shall report to the governor and the
14 legislature on or before January 15 of each year as provided in section
15 15-255.

16 F. ~~Beginning in fiscal year 2020-2021,~~ The annual financial report
17 prescribed by this section shall include the school level data for charter
18 schools and schools operated by school districts ~~prescribed in section~~
19 ~~15-746, subsection E~~ **REQUIRED BY SECTION 15-747**.

20 Sec. 3. Repeal
21 **Section 15-1224, Arizona Revised Statutes, is repealed.**

22 Sec. 4. Transfer of monies
23 **The governing board of each school district shall close the bank**
24 **account opened pursuant to section 15-1224, Arizona Revised Statutes, as**
25 **repealed by this act, and transfer any remaining monies to the county**
26 **treasurer for deposit pursuant to section 15-341, subsection A, paragraph**
27 **14, Arizona Revised Statutes, as amended by this act.**