

Senate Engrossed

school districts; funds; financial reports

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

SENATE BILL 1763

AN ACT

AMENDING SECTIONS 15-341, 15-904 AND 15-1104, ARIZONA REVISED STATUTES;
REPEALING SECTION 15-1224, ARIZONA REVISED STATUTES; AMENDING TITLE 15,
CHAPTER 10, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION
15-1232; 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 by
12 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, **THE SCHOOL DISTRICT GOVERNING BOARD SHALL**
6 **EITHER USE** any balance remaining after expenditures for the intended
7 purpose of the monies have been made ~~shall be used~~ to reduce school
8 district taxes for the budget year, ~~except that in the case of~~ **OR TRANSFER**
9 **THE MONIES TO THE ADDITIONAL MONIES FUND ESTABLISHED BY SECTION 15-1232.**
10 **IF NOT INCONSISTENT WITH THE TERMS OF THE GIFTS, GRANTS AND DEVISES GIVEN**
11 **TO** accommodation schools, the county treasurer shall carry the balance
12 forward for use by the county school superintendent for accommodation
13 schools for the budget year.

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

20 16. Provide for adequate supervision over pupils in instructional
21 and noninstructional activities by certificated or noncertificated
22 personnel.

23 17. Use school monies received from the state and county school
24 apportionment exclusively to pay salaries of teachers and other employees
25 and contingent expenses of the district.

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

31 19. Deposit all monies received by school districts other than
32 student activities monies or monies from auxiliary operations as provided
33 in sections 15-1125 and 15-1126 with the county treasurer to the credit of
34 the school district except as provided in paragraph 20 of this subsection
35 and sections 15-1223 and ~~15-1224~~ **15-1232**, and the board shall spend the
36 monies as provided by law for other school funds.

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

42 21. Prescribe and enforce policies and procedures for disciplinary
43 action against a teacher who engages in conduct that is a violation of the
44 policies of the governing board but that is not cause for dismissal of the
45 teacher or for revocation of the certificate of the teacher. Disciplinary

1 action may include suspension without pay for a period of time not to
2 exceed ten school days. Disciplinary action shall not include suspension
3 with pay or suspension without pay for a period of time longer than ten
4 school days. The procedures shall include notice, hearing and appeal
5 provisions for violations that are cause for disciplinary action. The
6 governing board may designate a person or persons to act on behalf of the
7 board on these matters.

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

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

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

31 (a) The provision of water.

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

1 remove the parent's own child from play. A pupil may return to play on
2 the same day if a health care provider rules out a suspected concussion at
3 the time the pupil is removed from play. On a subsequent day, the pupil
4 may return to play if the pupil has been evaluated by and received written
5 clearance to resume participation in athletic activity from a health care
6 provider who has been trained in evaluating and managing concussions and
7 head injuries. A health care provider who is a volunteer and who provides
8 clearance to participate in athletic activity on the day of the suspected
9 injury or on a subsequent day is immune from civil liability with respect
10 to all decisions made and actions taken that are based on good faith
11 implementation of the requirements of this subdivision, except in cases of
12 gross negligence or wanton or wilful neglect. A school district, school
13 district employee, team coach, official or team volunteer or a parent or
14 guardian of a team member is not subject to civil liability for any act,
15 omission or policy undertaken in good faith to comply with the
16 requirements of this subdivision or for a decision made or an action taken
17 by a health care provider. A group or organization that uses property or
18 facilities owned or operated by a school district for athletic activities
19 shall comply with the requirements of this subdivision. A school district
20 and its employees and volunteers are not subject to civil liability for
21 any other person or organization's failure or alleged failure to comply
22 with the requirements of this subdivision. This subdivision does not
23 apply to teams that are based in another state and that participate in an
24 athletic activity in this state. For the purposes of this subdivision,
25 athletic activity does not include dance, rhythmic gymnastics,
26 competitions or exhibitions of academic skills or knowledge or other
27 similar forms of physical noncontact activities, civic activities or
28 academic activities, whether engaged in for the purposes of competition or
29 recreation. For the purposes of this subdivision, "health care provider"
30 means a physician who is licensed pursuant to title 32, chapter 13, 14 or
31 17, an athletic trainer who is licensed pursuant to title 32, chapter 41,
32 a nurse practitioner who is licensed pursuant to title 32, chapter 15, and
33 a physician assistant who is licensed pursuant to title 32, chapter 25.

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

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

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

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

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

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

19 30. Report to local law enforcement agencies any suspected crime
20 against a person or property that is a serious offense as defined in
21 section 13-706 or that involves a deadly weapon or dangerous instrument or
22 serious physical injury and any conduct that poses a threat of death or
23 serious physical injury to employees, students or anyone on the property
24 of the school. This paragraph does not limit or preclude the reporting by
25 a school district or an employee of a school district of suspected crimes
26 other than those required to be reported by this paragraph. For the
27 purposes of this paragraph, "dangerous instrument", "deadly weapon" and
28 "serious physical injury" have the same meanings prescribed in section
29 13-105.

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

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

1 place designated in the notice, the school district governing board shall
2 hear reasons for or against closing the school. The school district
3 governing board is exempt from this paragraph if the governing board
4 determines that the school shall be closed because it poses a danger to
5 the health or safety of the pupils or employees of the school.
6 A governing board may consult with the division of school facilities
7 within the department of administration for technical assistance and for
8 information on the impact of closing a school. The information provided
9 from the division of school facilities within the department of
10 administration shall not require the governing board to take or not take
11 any action.

12 33. Incorporate instruction on Native American history into
13 appropriate existing curricula.

14 34. Prescribe and enforce policies and procedures:

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

33 (b) For the emergency administration of epinephrine delivery
34 systems by a trained employee of a school district pursuant to section
35 15-157.

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

1 respect to all decisions made and actions taken that are based on a good
2 faith implementation of the requirements of this paragraph.

3 36. Prescribe and enforce policies and procedures to prohibit
4 pupils from harassing, intimidating and bullying other pupils on school
5 grounds, on school property, on school buses, at school bus stops, at
6 school-sponsored events and activities and through the use of electronic
7 technology or electronic communication on school computers, networks,
8 forums and mailing lists that include the following components:

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

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

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

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

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

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

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

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

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

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

8 37. Prescribe and enforce policies and procedures regarding
9 changing or adopting attendance boundaries that include the following
10 components:

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

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

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

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

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

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

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

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

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

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

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

- 28 (i) A letter grade of "A" if the school district is excellent.
- 29 (ii) A letter grade of "B" if the school district is above average.
- 30 (iii) A letter grade of "C" if the school district is average.
- 31 (iv) A letter grade of "D" if the school district is below average.
- 32 (v) A letter grade of "F" if the school district is a failure.

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

- 44 (i) A letter grade of "A" if the school district is excellent.
- 45 (ii) A letter grade of "B" if the school district is above average.

- 1 (iii) A letter grade of "C" if the school district is average.
- 2 (iv) A letter grade of "D" if the school district is below average.
- 3 (v) A letter grade of "F" if the school district is a failure.
- 4 (d) Twenty-five percent of the performance pay shall be determined
- 5 by other criteria selected by the governing board.

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

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

17 (a) Are designed to improve principal performance and improve
18 student achievement.

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

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

24 (d) Describe both of the following:

25 (i) The methods used to evaluate the performance of principals,
26 including the data used to measure student performance and job
27 effectiveness.

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

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

36 43. Prescribe and enforce policies and procedures for the emergency
37 administration by an employee of a school district pursuant to section
38 36-2267 of naloxone hydrochloride or any other opioid antagonist approved
39 by the United States food and drug administration.

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

1 are based on good faith implementation of the requirements of this
2 paragraph, except in cases of gross negligence or wanton or wilful
3 neglect. A person engages in threatening or intimidating if the person
4 threatens or intimidates by word or conduct to cause physical injury to
5 another person or serious damage to the property of another on school
6 grounds. A person engages in harassment if, with intent to harass or with
7 knowledge that the person is harassing another person, the person
8 anonymously or otherwise contacts, communicates or causes a communication
9 with another person by verbal, electronic, mechanical, telephonic or
10 written means in a manner that harasses on school grounds or substantially
11 disrupts the school environment.

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

- 16 (a) Base salary and any additional pay.
- 17 (b) Medical benefits and the value of any employer-paid portions of
18 insurance plan premiums.
- 19 (c) Retirement benefit plans, including social security.
- 20 (d) Legally required benefits.
- 21 (e) Any paid leave.
- 22 (f) Any other payment made to or on behalf of the employee.
- 23 (g) Any other benefit provided to the employee.

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

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

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

- 40 1. Is not abated, extinguished, discharged or merged in the title
41 to the property.
- 42 2. Is enforceable in the same manner as other delinquent tax liens.

43 D. The governing board may not locate a school on property that is
44 less than one-fourth mile from agricultural land regulated pursuant to
45 section 3-365, except that the owner of the agricultural land may agree to

1 comply with the buffer zone requirements of section 3-365. If the owner
2 agrees in writing to comply with the buffer zone requirements and records
3 the agreement in the office of the county recorder as a restrictive
4 covenant running with the title to the land, the school district may
5 locate a school within the affected buffer zone. The agreement may
6 include any stipulations regarding the school, including conditions for
7 future expansion of the school and changes in the operational status of
8 the school that will result in a breach of the agreement.

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

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

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

38 H. Subsections C through G of this section apply to a county board
39 of supervisors and a county school superintendent when operating and
40 administering an accommodation school.

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

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

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

6 15-904. School district annual financial report; publication;
7 summary

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

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

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

1 electronically to the department of education, the school district shall
2 provide a link on the school district's website to the report on the
3 department's website. If the governing board chooses to publish the
4 report in a newspaper, the size of the newspaper print shall be at least
5 eight-point type. The cost of publication or mailing shall be a charge
6 against the school district. The publisher's affidavit of publication
7 shall be filed by the governing board of the school district with the
8 superintendent of public instruction within thirty days after publication.

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

14 E. The superintendent of public instruction shall compile the
15 financial reports of the school districts, including expenditure data for
16 federal and state projects, and shall report to the governor and the
17 legislature on or before January 15 of each year as provided in section
18 15-255.

19 F. ~~Beginning in fiscal year 2020-2021,~~ The annual financial report
20 prescribed by this section shall include the school level data for charter
21 schools and schools operated by school districts ~~prescribed in section~~
22 ~~15-746, subsection E~~ **REQUIRED BY SECTION 15-747.**

23 Sec. 3. Section 15-1104, Arizona Revised Statutes, is amended to
24 read:

25 **15-1104. Unemployment compensation fund**

26 Unemployment compensation monies shall be deposited with the county
27 treasurer who shall credit the deposits to the unemployment compensation
28 fund of the respective school district. The unemployment compensation
29 fund of a school district is a continuing fund **AND IS** not subject to
30 reversion. ~~;~~ ~~except that~~ Any monies in the fund determined by the
31 governing board, or the superintendent or chief administrative officer
32 with the approval of the governing board, to be in excess of insurance
33 needs shall be **EITHER** used ~~for reduction of~~ **TO REDUCE** school district
34 taxes for the budget year **OR TRANSFERRED TO THE SCHOOL DISTRICT'S**
35 **ADDITIONAL MONIES FUND ESTABLISHED PURSUANT TO SECTION 15-1232.**

36 Sec. 4. **Repeal**

37 **Section 15-1224, Arizona Revised Statutes, is repealed.**

38 Sec. 5. **Heading change**

39 **The article heading of title 15, chapter 10, article 9, Arizona**
40 **Revised Statutes, is changed from "CAREER AND TECHNICAL EDUCATION PROJECTS**
41 **FUND" to "SPECIAL FUNDS".**

1 Sec. 6. Title 15, chapter 10, article 9, Arizona Revised Statutes,
2 is amended by adding section 15-1232, to read:

3 15-1232. Additional monies fund; prohibition

4 A. EACH SCHOOL DISTRICT GOVERNING BOARD SHALL ESTABLISH AN
5 ADDITIONAL MONIES FUND. THE FUND CONSISTS OF MONIES TRANSFERRED PURSUANT
6 TO SECTION 15-341, SUBSECTION A, PARAGRAPH 14 OR SECTION 15-1104. MONIES
7 IN THE FUND ARE NOT SUBJECT TO REVERSION. THE SCHOOL DISTRICT MAY USE
8 MONIES IN THE FUND FOR ANY LAWFUL PURPOSE.

9 B. A SCHOOL DISTRICT MAY NOT TRANSFER MONIES FROM THE SCHOOL
10 DISTRICT'S MAINTENANCE AND OPERATIONS FUND OR UNRESTRICTED CAPITAL OUTLAY
11 FUND INTO THE ADDITIONAL MONIES FUND ESTABLISHED PURSUANT TO SUBSECTION A
12 OF THIS SECTION.

13 Sec. 7. Transfer of monies

14 The governing board of each school district shall close the bank
15 account opened pursuant to section 15-1224, Arizona Revised Statutes, as
16 repealed by this act, and transfer any remaining monies to the county
17 treasurer for deposit in the additional monies fund of school districts
18 that are established pursuant to section 15-1232, Arizona Revised
19 Statutes, as added by this act.