

BOONE FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2516

(Reference to printed bill)

1 Page 4, between lines 15 and 16, insert:

2 "Sec. 3. Section 15-185, Arizona Revised Statutes, is amended to read:

3 15-185. Charter schools; financing; civil penalty;  
4 transportation; definitions

5 A. Financial provisions for a charter school that is sponsored by a  
6 school district governing board are as follows:

7 1. The charter school shall be included in the district's budget and  
8 financial assistance calculations pursuant to paragraph 3 of this subsection  
9 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
10 The charter of the charter school shall include a description of the methods  
11 of funding the charter school by the school district. The school district  
12 shall send a copy of the charter and application, including a description of  
13 how the school district plans to fund the school, to the state board of  
14 education before the start of the first fiscal year of operation of the  
15 charter school. The charter or application shall include an estimate of the  
16 student count for the charter school for its first fiscal year of operation.  
17 This estimate shall be computed pursuant to the requirements of paragraph 3  
18 of this subsection.

19 2. A school district is not financially responsible for any charter  
20 school that is sponsored by the state board of education or the state board  
21 for charter schools.

22 3. A school district that sponsors a charter school may:

23 (a) Increase its student count as provided in subsection B,  
24 paragraph 2 of this section during the first year of the charter school's  
25 operation to include those charter school pupils who were not previously  
26 enrolled in the school district. A charter school sponsored by a school  
27 district governing board is eligible for the assistance prescribed in  
28 subsection B, paragraph 4 of this section. The soft capital allocation as

1 provided in section 15-962 for the school district sponsoring the charter  
2 school shall be increased by the amount of the additional assistance. The  
3 school district shall include the full amount of the additional assistance in  
4 the funding provided to the charter school.

5 (b) Compute separate weighted student counts pursuant to section  
6 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter  
7 school pupils in order to maintain eligibility for small school district  
8 support level weights authorized in section 15-943, paragraph 1 for its  
9 noncharter school pupils only. The portion of a district's student count  
10 that is attributable to charter school pupils is not eligible for small  
11 school district support level weights.

12 4. If a school district uses the provisions of paragraph 3 of this  
13 subsection, the school district is not eligible to include those pupils in  
14 its student count for the purposes of computing an increase in its revenue  
15 control limit and district support level as provided in section 15-948.

16 5. A school district that sponsors a charter school is not eligible to  
17 include the charter school pupils in its student count for the purpose of  
18 computing an increase in its capital outlay revenue limit as provided in  
19 section 15-961, subsection C, except that if the charter school was  
20 previously a school in the district, the district may include in its student  
21 count any charter school pupils who were enrolled in the school district in  
22 the prior year.

23 6. A school district that sponsors a charter school is not eligible to  
24 include the charter school pupils in its student count for the purpose of  
25 computing the revenue control limit which is used to determine the maximum  
26 budget increase as provided in chapter 4, article 4 of this title unless the  
27 charter school is located within the boundaries of the school district.

28 7. If a school district converts one or more of its district public  
29 schools to a charter school and receives assistance as prescribed in  
30 subsection B, paragraph 4 of this section, and subsequently converts the  
31 charter school back to a district public school, the school district shall  
32 repay the state the total additional assistance received for the charter

1 school for all years that the charter school was in operation. The repayment  
2 shall be in one lump sum and shall be reduced from the school district's  
3 current year equalization assistance. The school district's general budget  
4 limit shall be reduced by the same lump sum amount in the current year.

5 B. Financial provisions for a charter school that is sponsored by the  
6 state board of education or the state board for charter schools are as  
7 follows:

8 1. The charter school shall calculate a base support level as  
9 prescribed in section 15-943, except that sections 15-941 and 15-942 do not  
10 apply to these charter schools.

11 2. Notwithstanding paragraph 1 of this subsection, the student count  
12 shall be determined initially using an estimated student count based on  
13 actual registration of pupils before the beginning of the school year. After  
14 the first one hundred days or two hundred days in session, as applicable, the  
15 charter school shall revise the student count to be equal to the actual  
16 average daily membership, as defined in section 15-901, or the adjusted  
17 average daily membership, as prescribed in section 15-902, of the charter  
18 school. Before the one hundredth day or two hundredth day in session, as  
19 applicable, the state board of education or the state board for charter  
20 schools may require a charter school to report periodically regarding pupil  
21 enrollment and attendance and the department of education may revise its  
22 computation of equalization assistance based on the report. A charter school  
23 shall revise its student count, base support level and additional assistance  
24 before May 15. A charter school that overestimated its student count shall  
25 revise its budget before May 15. A charter school that underestimated its  
26 student count may revise its budget before May 15.

27 3. A charter school may utilize section 15-855 for the purposes of  
28 this section. The charter school and the department of education shall  
29 prescribe procedures for determining average daily attendance and average  
30 daily membership.

1           4. Equalization assistance for the charter school shall be determined  
2 by adding the amount of the base support level and additional assistance.  
3 The amount of the additional assistance is one thousand four hundred  
4 seventy-four dollars sixteen cents per student count in kindergarten programs  
5 and grades one through eight and one thousand seven hundred eighteen dollars  
6 ten cents per student count in grades nine through twelve.

7           5. The state board of education shall apportion state aid from the  
8 appropriations made for such purposes to the state treasurer for disbursement  
9 to the charter schools in each county in an amount as determined by this  
10 paragraph. The apportionments shall be made in twelve equal installments of  
11 the total amount to be apportioned during the fiscal year on the fifteenth  
12 day of each month of the fiscal year.

13           6. Notwithstanding paragraph 5 of this subsection, if sufficient  
14 appropriated monies are available after the first forty days in session of  
15 the current year, a charter school may request additional state monies to  
16 fund the increased state aid due to anticipated student growth through the  
17 first one hundred days or two hundred days in session, as applicable, of the  
18 current year as provided in section 15-948. In no event shall a charter  
19 school have received more than three-fourths of its total apportionment  
20 before April 15 of the fiscal year. Early payments pursuant to this  
21 subsection must be approved by the state treasurer, the director of the  
22 department of administration and the superintendent of public instruction.

23           7. The charter school shall not charge tuition **FOR PUPILS WHO RESIDE**  
24 **IN THIS STATE**, levy taxes or issue bonds. **A CHARTER SCHOOL MAY ADMIT PUPILS**  
25 **WHO ARE NOT RESIDENTS OF THIS STATE AND SHALL CHARGE TUITION FOR THOSE PUPILS**  
26 **IN THE SAME MANNER PRESCRIBED IN SECTION 15-823.**

27           8. Not later than noon on the day preceding each apportionment date  
28 established by paragraph 5 of this subsection, the superintendent of public  
29 instruction shall furnish to the state treasurer an abstract of the  
30 apportionment and shall certify the apportionment to the department of  
31 administration, which shall draw its warrant in favor of the charter schools  
32 for the amount apportioned.

1           C. If a pupil is enrolled in both a charter school and a public school  
2 that is not a charter school, the sum of the daily membership, which includes  
3 enrollment as prescribed in section 15-901, subsection A, paragraph 2,  
4 subdivisions (a) and (b) and daily attendance as prescribed in section  
5 15-901, subsection A, paragraph 6, for that pupil in the school district and  
6 the charter school shall not exceed 1.0, except that if the pupil is enrolled  
7 in both a charter school and a joint technological education district and  
8 resides within the boundaries of a school district participating in the joint  
9 technological education district, the sum of the average daily membership for  
10 that pupil in the charter school and the joint technological education  
11 district shall not exceed 1.25. If a pupil is enrolled in both a charter  
12 school and a public school that is not a charter school, the department of  
13 education shall direct the average daily membership to the school with the  
14 most recent enrollment date. Upon validation of actual enrollment in both a  
15 charter school and a public school that is not a charter school and if the  
16 sum of the daily membership or daily attendance for that pupil is greater  
17 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between  
18 the public school and the charter school based on the percentage of total  
19 time that the pupil is enrolled or in attendance in the public school and the  
20 charter school, except that if the pupil is enrolled in both a charter school  
21 and a joint technological education district and resides within the  
22 boundaries of a school district participating in the joint technological  
23 education district, the sum of the average daily membership for that pupil in  
24 the charter school and the joint technological education district shall be  
25 reduced to 1.25 and shall be apportioned between the charter school and the  
26 joint technological education district based on the percentage of total time  
27 that the pupil is enrolled or in attendance in the charter school and the  
28 joint technological education district. The uniform system of financial  
29 records shall include guidelines for the apportionment of the pupil  
30 enrollment and attendance as provided in this section.

31           D. Charter schools are allowed to accept grants and gifts to  
32 supplement their state funding, but it is not the intent of the charter

1 school law to require taxpayers to pay twice to educate the same pupils. The  
2 base support level for a charter school or for a school district sponsoring a  
3 charter school shall be reduced by an amount equal to the total amount of  
4 monies received by a charter school from a federal or state agency if the  
5 federal or state monies are intended for the basic maintenance and operations  
6 of the school. The superintendent of public instruction shall estimate the  
7 amount of the reduction for the budget year and shall revise the reduction to  
8 reflect the actual amount before May 15 of the current year. If the  
9 reduction results in a negative amount, the negative amount shall be used in  
10 computing all budget limits and equalization assistance, except that:

11 1. Equalization assistance shall not be less than zero.

12 2. For a charter school sponsored by the state board of education or  
13 the state board for charter schools, the total of the base support level, the  
14 capital outlay revenue limit, the soft capital allocation and the additional  
15 assistance shall not be less than zero.

16 3. For a charter school sponsored by a school district, the base  
17 support level for the school district shall not be reduced by more than the  
18 amount that the charter school increased the district's base support level,  
19 capital outlay revenue limit and soft capital allocation.

20 E. If a charter school was a district public school in the prior year  
21 and is now being operated for or by the same school district and sponsored by  
22 the state board of education, the state board for charter schools or a school  
23 district governing board, the reduction in subsection D of this section  
24 applies. The reduction to the base support level of the charter school or  
25 the sponsoring district of the charter school shall equal the sum of the base  
26 support level and the additional assistance received in the current year for  
27 those pupils who were enrolled in the traditional public school in the prior  
28 year and are now enrolled in the charter school in the current year.

29 F. Equalization assistance for charter schools shall be provided as a  
30 single amount based on average daily membership without categorical  
31 distinctions between maintenance and operations or capital.

1           G. At the request of a charter school, the county school  
2 superintendent of the county where the charter school is located may provide  
3 the same educational services to the charter school as prescribed in section  
4 15-308, subsection A. The county school superintendent may charge a fee to  
5 recover costs for providing educational services to charter schools.

6           H. If the sponsor of the charter school determines at a public meeting  
7 that the charter school is not in compliance with federal law, with the laws  
8 of this state or with its charter, the sponsor of a charter school may submit  
9 a request to the department of education to withhold up to ten per cent of  
10 the monthly apportionment of state aid that would otherwise be due the  
11 charter school. The department of education shall adjust the charter  
12 school's apportionment accordingly. The sponsor shall provide written notice  
13 to the charter school at least seventy-two hours before the meeting and shall  
14 allow the charter school to respond to the allegations of noncompliance at  
15 the meeting before the sponsor makes a final determination to notify the  
16 department of education of noncompliance. The charter school shall submit a  
17 corrective action plan to the sponsor on a date specified by the sponsor at  
18 the meeting. The corrective action plan shall be designed to correct  
19 deficiencies at the charter school and to ensure that the charter school  
20 promptly returns to compliance. When the sponsor determines that the charter  
21 school is in compliance, the department of education shall restore the full  
22 amount of state aid payments to the charter school.

23           I. In addition to the withholding of state aid payments pursuant to  
24 subsection H of this section, the sponsor of a charter school may impose a  
25 civil penalty of one thousand dollars per occurrence if a charter school  
26 fails to comply with the fingerprinting requirements prescribed in section  
27 15-183, subsection C or section 15-512. The sponsor of a charter school  
28 shall not impose a civil penalty if it is the first time that a charter  
29 school is out of compliance with the fingerprinting requirements and if the  
30 charter school provides proof within forty-eight hours of written  
31 notification that an application for the appropriate fingerprint check has  
32 been received by the department of public safety. The sponsor of the charter

1 school shall obtain proof that the charter school has been notified, and the  
2 notification shall identify the date of the deadline and shall be signed by  
3 both parties. The sponsor of a charter school shall automatically impose a  
4 civil penalty of one thousand dollars per occurrence if the sponsor  
5 determines that the charter school subsequently violates the fingerprinting  
6 requirements. Civil penalties pursuant to this subsection shall be assessed  
7 by requesting the department of education to reduce the amount of state aid  
8 that the charter school would otherwise receive by an amount equal to the  
9 civil penalty. The amount of state aid withheld shall revert to the state  
10 general fund at the end of the fiscal year.

11 J. A charter school may receive and spend monies distributed by the  
12 department of education pursuant to section 42-5029, subsection E and section  
13 37-521, subsection B.

14 K. If a school district transports or contracts to transport pupils to  
15 the Arizona state schools for the deaf and the blind during any fiscal year,  
16 the school district may transport or contract with a charter school to  
17 transport sensory impaired pupils during that same fiscal year to a charter  
18 school if requested by the parent of the pupil and if the distance from the  
19 pupil's place of actual residence within the school district to the charter  
20 school is less than the distance from the pupil's place of actual residence  
21 within the school district to the campus of the Arizona state schools for the  
22 deaf and the blind.

23 L. For the purposes of this section:

24 1. "Monies intended for the basic maintenance and operations of the  
25 school" means monies intended to provide support for the educational program  
26 of the school, except that it does not include supplemental assistance for a  
27 specific purpose or P.L. 81-874 monies. The auditor general shall determine  
28 which federal or state monies meet the definition in this paragraph.

29 2. "Operated for or by the same school district" means the charter  
30 school is either governed by the same district governing board or operated by  
31 the district in the same manner as other traditional schools in the district  
32 or is operated by an independent party that has a contract with the school



- 1 district. The auditor general and the department of education shall
- 2 determine which charter schools meet the definition in this subsection."
- 3 Renumber to conform
- 4 Amend title to conform

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TOM BOONE

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